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Gorbachev Chooses Moldavia as Test of Authoritarian Line

In Stern Decree, He Tells Minorities To Obey Moscow or Face Crackdown

By Michael Dobbs
Washington Post Service

MOSCOW — President Mikhail S. Gorbachev appears to have chosen the tiny republic of Moldavia as the testing ground for a new, more authoritarian approach to dealing with the Soviet Union's political and economic crises.

For the last year, the Soviet leader has watched impotently as one Soviet republic after another defied Moscow by asserting the supremacy of its own laws over those passed by the federal parliament. Tweaking the Kremlin's nose has become a national sport, as republics, districts and even individual towns solemnly issue their own declarations of sovereignty.

Under heavy pressure from hard-liners in the Communist Party and armed forces to introduce a strong-arm regime, Mr. Gorbachev has evidently decided that the time has come to show who is boss. In a nine-point presidential decree that was given top billing in the Soviet press this weekend, he ordered Moldavia to fall into line behind the Kremlin within 10 days, or face the consequences.

Moldavia, a republic of 4.3 million people bordering Romania, is a good place for Mr. Gorbachev to test his newly acquired arsenal of extraordinary presidential powers. The Russian and Turkic Gagauz minorities resent the ethnic Romanian majority and can be relied upon to support Moscow in a showdown. The Romanian lobby in the United States is not particularly influential — in contrast to the more vocal Balts.

At the same time, most of the Soviet leader's complaints against Moldavia could equally well apply to the Baltic republics or to Georgia. By insisting that Moldavia repeal or revise a whole series of laws and decisions — including the creation of a republican guard, a language law that gives preference to Romanian speakers, and a proclamation denouncing Moldavia's annexation by the Soviet Union in 1940 — Mr. Gorbachev is in effect setting a precedent for similar action elsewhere.

"Of course, this is all very worrying," said Endel Lippmaa, a senior Estonian official, in a telephone interview. "We have to seriously consider the possibility that the Baltic states will be next."

Unnerved by what is apparently Mr. Gorbachev's move toward the conservatives, the Lithuanian president, Vytautas Landsbergis, called this weekend for active resistance to any attempt by the Kremlin to introduce "overtly occupationist rule in Lithuania."

He told a meeting of the Lithuanian independence movement Sajudis in Vilnius that there were signs that "this kind of rule is already being introduced surreptitiously."

If Mr. Gorbachev resorts to strong-arm measures, he will do so in the name of defending his *perestroika* movement for change rather than ending it.

In fact, recent constitutional amendments and a new law on states of emergency give the president exceptionally broad powers to rule by decree and override democratically elected parliaments.

If he thinks that the security of Soviet citizens is threatened, the president can declare a state of

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NEWS ANALYSIS



Andre Durand/Agence France-Presse

Moscow residents lining up on Sunday to buy fruit as signs of strain in the Soviet Union, particularly in Moldavia and the Baltic republics, continued to multiply.

Shopping for the Bomb: Iraq's Web of Deception

The following article is based on reporting by James Brooke, Ferdinand Protzman and Michael Wines and was written by Mr. Wines.

New York Times Service

WASHINGTON — Exploiting a web of front companies and secret military alliances on four continents, Iraq has managed to buy much of the hardware and acquire the skill for an assembly line that could produce atomic weapons within the decade, Western law-enforcement and intelligence officials said.

The Iraqi purchasing network worked with virtual impunity for nearly 10 years, using deception and, some critics asserted, murder to skirt Western safeguards on nuclear technology. In turn, Iraq's enemies have arrested and killed its agents and tried for years to sabotage the bomb program, with some success.

The focus of the Iraqi purchasing program has been to build a gas-centrifuge plant, a factory that extracts weapons-quality uranium isotopes from thousands of spinning cylinders of uranium gas.

The plant is regarded as the most difficult hurdle faced by Iraq in its quest for nuclear weapons. In recent years, Iraqi agents have searched through Europe, Brazil and the United States, seeking parts and technology for the plant in the guise of dairy and oil-refinery equipment, optical instruments and gear forgings, and even machines to make artificial legs.

Only in the last year has the purchasing program been seriously hampered, first by a scandal over German exports of poison-gas manufacturing equipment, then by the global trade ban imposed after Iraq invaded Kuwait on Aug. 2.

By that time, however, Iraq had made substantial progress toward a bomb-making ability. It had large stocks of refined uranium ore, and the blueprints for gas centrifuges. It had the sophisticated tools and special alloys needed to make centrifuges and bomb components.

But American officials said Iraq still lacked crucial components and the know-how to build the factories to make bomb-grade uranium, and probably could not make weapons in quantity before 2000.

Analyses by a U.S. government panel of atomic-weapons intelligence experts conclude that Iraq's bomb program is still in its infancy.

Some government analysts say they believe that the United Nations embargo and

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Cheney Says Clock Is Ticking To War

Forces in Gulf Put on High Alert Over Christmas

Compiled by Our Staff From Dispatches

WITH U.S. FORCES, Saudi Arabia — Defense Secretary Dick Cheney said Sunday that "the clock is ticking" toward war as long as President Saddam Hussein does not withdraw his forces from Kuwait.

"He continues to commit more forces to the area," Mr. Cheney said of the Iraqi leader. "He continues to build up his fortifications. He continues to make public statements that Kuwait is now part of Iraq. For all these reasons, one has to conclude that the situation is not improving."

As Mr. Cheney ended a five-day visit to Saudi Arabia, American forces in the Gulf were put on a high state of alert in case Iraq stages a sneak attack over the Christmas holiday, military sources said.

U.S. commanders were worried about a possible surprise strike similar to one by Egypt and Syria against Israel during Yom Kippur in October 1973. A U.S. military official said troops would be on special alert for about a week.

Mr. Cheney, speaking with reporters before going on to Egypt for talks with President Hosni Mubarak, said there were no signs that Iraq would withdraw from Kuwait in time for the Jan. 15 deadline set by the United Nations Security Council.

In Baghdad, Iraq's defense minister, Lieutenant General Saadi Tuma Abbas, said Sunday that his country was ready to crush any military attack, the Iraqi press agency INA reported.

"The U.S. defense minister and those who support him will see how the earth will be burned under their feet not only in Iraq but also in Saudi Arabia and other Arab Gulf countries," General Abbas said.

These remarks followed a round of long-range verbal exchanges on Saturday between Iraq and the United States.

In Baghdad, the speaker of parliament, Saadi Mahdi Salih, said the Iraqi Army had no nuclear arms but possessed equally effective chemical weapons and would use them.

"We will use all weapons in order not to give our country to the enemy," he said. "Kuwait is our territory."

Visiting troops in the Saudi desert only 50 miles (80 kilometers) from Iraq, Mr. Cheney issued a

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Reuters

Vladimir A. Kryuchkov

Soviet Tremors

The KGB chief, Vladimir A. Kryuchkov, warns of the "possibility of bloodshed." Page 2.

Monday Q&A: Stanislav Shatalin, economics chief. Page 2.

Moscow asks Bonn for a $1.3 billion loan. Page 7.

Moscow Reformers Left Out in the Cold

Conservative Resistance Mounting

By David Remnick
Washington Post Service

MOSCOW — In a bitter wind on Sunday morning, a young historian named Vladimir Lukin stood on a flat-bed truck outside city hall and told a crowd of about 1,000 people: "Friends, these are decisive times. We have not seen such an explosive moment since the revolutions of 1917."

Numbed by the freezing cold, the crowd nodded mechanically and shouted some half-hearted slogans. Here and there were a few hand-painted signs — "Down With the Communist Party!" "Shevardnadze Is With Us! Gorbachev Is Not!"

But after a while, people started to turn away in boredom and frustration and head down Tverskaya Street, some stopping off to stand on the hourlong lines for meat.

These are the hardest days for the pro-democracy movement since Mikhail S. Gorbachev came to power in March 1985. Not only have such key reformers in the leadership as Alexander N. Yakovlev and Eduard A. Shevardnadze left the Kremlin leadership, but the popular movement itself is listless, disorganized and, in the raw political sense, powerless.

A writer and deputy from Byelorussia, Ales Adamovich, stood among the crowd at the demonstration, his face drawn with fatigue. From his first-row seat at the Congress of People's Deputies last week, he watched what he called "the reactionary surge," a show of strength by the KGB, the army and the Communist Party apparatus.

The sight of the KGB chief, Vladimir A. Kryuchkov, toiling on Saturday, as if from a darker era, against foreign enemies and suggesting that bloodshed might be required to restore order left Mr. Adamovich stunned.

"Kryuchkov's speech typifies an attitude that goes back decades: 'Things will come and go, but we will always be here,' " he said. "The left has the support of the people, but the left can't do much when the levers of power are in the hands of the reactionaries."

Such is the critical difference between 1917 and 1990.

The democratic movement now

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Max Nash/The Associated Press

Navy personnel and a helicopter crewman, aided by three Israeli soldiers, carrying on Sunday the casket of one of the victims of the ferry that capsized off Haifa.

U.S. Navy Death Toll at 20 in Israeli Ferry Sinking

By Youssef M. Ibrahim
New York Times Service

HAIFA, Israel — A body recovered Sunday brought to 20 the number of Americans known to have drowned after an Israeli ferry carrying U.S. servicemen from shore leave back to the U.S. aircraft carrier Saratoga sank here.

Captain Joseph S. Mobley, the Saratoga's commander, said one sailor remained unaccounted for. Amid a steady, cold drizzle, search helicopters continued to circle above the high waves of Haifa Bay on Sunday afternoon as sailors aboard the Saratoga held a memorial service.

The carrier had arrived Friday for a rest and recreation stop after more than four months of duty in the Red Sea as part of Operation Desert Shield.

A U.S. Navy spokesman said the dead in the sinking on Saturday varied in age from 19 to 26.

Officials said they expected Israeli and U.S. divers to pull out the ferry, which carried 102 sailors, for an investigation expected to take at least two days. They said that separate teams of Israeli and U.S. experts were investigating the incident.

Captain Mobley said that of the 81 passengers recovered from the water, about 40 had been hospitalized.

U.S. Embassy officials said navy investigators were focusing on why the craft sank so quickly.

They said that those aboard had no more than 20 seconds to jump clear. Some never made it out of the lower cabin as they got stuck trying to get through narrow windows.

One of the sailors rescued from the heavy seas denied reports that the accident was provoked because a large number of sailors moved to one side of the ferry at the same that a high wave hit it.

The sailor, who identified himself as John Richardson, said the pumps that normally pull water out of the ferry and pour it back into the sea had stopped functioning shortly before the ferry sank, and that boat "was taking quite a bit of water when we were hit by the wave."

At a shore hospital, he said that when the wave came, the ferry "turned over pretty quick."

The service for the men who died was conducted in Hangar No. 1, a large rectangular hall decorated with 20 American flags and with 20 navy caps placed in the middle of the enclosure.

More than 1,200 of the Saratoga's crew stood along the walls surrounding seated Israeli and U.S. officials and officers.

A naval choir sang "America the Beautiful," and a wreath of flowers was thrown into the sea after the ceremony.

Key Senator Offers Grim Scenario

By Paul Horvitz
International Herald Tribune

WASHINGTON — The Democratic leader in the Senate offered a grim assessment Sunday of the choices facing President George Bush in the Middle East, saying Israel would most likely be drawn into any Gulf war and cautioning against an early offensive.

The majority leader, Senator George Mitchell of Maine, who has generally sided with Mr. Bush in threatening force to expel Iraqi forces from Kuwait, said in a broadcast interview that "it must be clear — clear! — that sanctions haven't worked" before force is used.

Mr. Bush, he noted, has not unequivocally declared that the economic blockade of Iraq has failed.

War is not inevitable, Mr. Mitchell said, "and I surely don't think it's necessary at this time."

Force "should be the last resort, not an early resort," he added.

Mr. Mitchell's comments, on the NBC News program "Meet the

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Kiosk

IRA Declares 3-Day Truce

BELFAST (Reuters) — Irish Republican guerrillas fighting to end British rule in Northern Ireland declared a three-day Christmas cease-fire from midnight on Sunday, raising some qualified hopes for talks on peace in the province.

The Irish Republican Army last declared such a cease-fire in 1974 and extended it well beyond Christmas. It ended only when talks failed to get off the ground after eight months.

Prime Minister Charles J. Haughey of Ireland said that, if extended indefinitely, the cease-fire would "open up great possibilities for progress."

General News

Tax codes are increasingly being used in the United States to cash in on drug dealers. Page 3.

Lech Walesa, Poland's new president, sought conciliation with his predecessor. Page 4.

Slovenians voted overwhelmingly for independence. Page 4.

Cambodian foes agreed on parts of a peace plan. Page 4.

Business / Finance

Airbus Industrie may develop a commercial jet larger than the Boeing 747. Page 7.

The dollar is expected to rise in 1991 as it regains investors' confidence. Page 7.

Crossword Page 5.
Weather Page 2.

Bit by Bit, Computers Becoming Production's 'Big Brother'

By Peter T. Kilborn
New York Times Service

CHICAGO — Now and then, Harriette Ternipsede stands up, defying the stream of calls pouring into her telephone.

When she does, she said, her supervisors at the Trans World Airlines reservations office in Chicago call across the rows of sales agents and tell her to sit down. Although standing up slows production, it gives her relief from two-hour stretches of sitting at a computer terminal, and, she says, "It's a way to show I'm a person."

But it is not just the supervisors across the room who are watching Ms. Ternipsede. Through her telephone and video display terminal, Ms. Ternipsede's employers constantly monitor the speed and efficiency with which she makes plane reservations and sells tickets.

Ms. Ternipsede, 55, a veteran agent at TWA, is among millions of workers, women mostly, in the back offices of airlines, government agencies, insurance companies, mail-order houses and telephone companies who are the cogs in what some employees call an electronic sweatshop.

Through the telephones and computer terminals they use, the workers and their performance can be watched, measured and analyzed in microchip detail.

Some companies use the systems openly and rather benignly to track their business and help laggards among workers improve.

And some TWA agents say the company's intensive monitoring is understandable.

"You're not getting trustworthy, smart people," said Joseph Garza, 38, who was shifted last month from selling reservations to the low-pressure desk where agents work out fares for complicated itineraries. "You're getting more 18-year-olds, not college-educated, not creative. So naturally, TWA says this is the only way to get something out of these people."

But workers' advocates, like the organization Nine-to-Five, say other companies run dehumanizing pressure cookers, relegating management prerogatives to electronic taskmasters.

They say the companies program high performance goals into computers and push employees to work faster to meet them, much as manufacturers speed up assembly lines. As a result of listening in on calls, they say, the companies make judgments about workers without letting the employees defend themselves.

Because computers can measure quantity better than quality, critics of the monitoring systems say employees who do the fastest work often reap greater rewards than do those who do the best work. They complain of invasions of privacy, of managers who are oblivious to human needs and of stress-induced illnesses or injuries.

In October, a study of 762 telephone workers nationally by Michael J. Smith, chairman of the industrial engineering department at the University of Wisconsin in Madison, and the Communications Workers of America, said 81 percent of those who were monitored had symptoms or complaints of depression, as against 69 percent of those who were not monitored.

Fifty-one percent of the monitored workers cited stiff or sore wrists, as

See WORK, Page 4

Gorbachev Adviser: Soviet Economy Running Out of Time

Stanislav Shatalin, the key economic adviser to President Mikhail S. Gorbachev, is the principal author of the draft plan to put the Soviet economy on a market footing within 500 days. In Paris to promote an independent Soviet magazine, Business in the USSR, whose editorial board he has joined, Mr. Shatalin discussed the current situation in his country with Barry James of the International Herald Tribune.

Q. How critical is the state of the Soviet economy?

A. Our malady is so serious and has gone on for so long that the time remaining to us can be counted not in months, but in days.

Q. And if you do not act?

A. I wouldn't like to hazard a guess. How can you know if someone with a loaded pistol at his side is going to commit suicide?

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Q. Why has the Soviet Union reached this point of despair and desperation when the problems have so long been recognized and you have had years in which to act?

A. To give you a serious reply, we would have to spend three or four days together. The short answer is that society only accepts the decisions it is ready to accept. Every society contains elements that are more radical and which see further ahead. But the decisions are taken by the ordinary people who make up the society.

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Q. Are your economic problems due only to 70 years of Communism, or do they also result from something endemic in the Russian character?

MONDAY Q&A

A. The reply would also need several days of friendly debate. The most difficult question is whether the population will accept reform, because historically we have had a very strong tendency toward egalitarianism — and also a tendency toward parasitism. Unless we break these stereotypes, we will be caught in a trap without exit.

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Q. How so?

A. We have begun to think about discipline in the economic, social and political sense, and this involves discussion about criminal behavior. People don't work. They don't do anything, but they still collect their salaries. This may not be criminal in the strict sense of the word, but it is something that touches on common law. This is why we affirm that we cannot go on living like this. Any democracy must be founded on a sense of responsibility. Without it, democracy is merely a dictatorship by the mob.

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Q. Is this one of the factors in the debate about the reinforcing of the president's executive power?

A. Yes. Much of what is going on now is having a destructive effect on our economic and social life, and the country is demanding quite rightly that the president reestablish order and discipline, and that those who engage in crime are punished. But do not confuse this process with an attempt to impose some kind of a personal dictatorship. Mr. Gorbachev is not a dictatorial type. The reinforcement of his power is meant only to insure respect for the law. Frankly, I regret that the president is too indulgent toward people who do not carry out their duties properly, and that he is not more severe.

Q. Yet Eduard Shevardnadze resigned as foreign minister with a warning that dictatorship is coming. How do you react to that?

A. I admire Mr. Shevardnadze very much. He has given a serious warning, and not only to the conservatives. Civil society itself in the country is in danger.

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Q. With Mr. Gorbachev promising tougher measures to restore order, is there not a risk of civil conflict arising out of the friction between various regions and the center.

A. If these republics enter into a union, they will do so because it will be to their advantage to give some powers to the central government. Once we examine the concrete matters of hard currency and gold reserves, a concerted economic, banking, fiscal and monetary policy, the republics will understand that in practice it is easier to live together than separately. I believe these problems can be resolved constructively.

As for the republics that refuse to sign a treaty of union, no one is going to declare war against them. That would be stupid. We have already conceived the mechanism by which they can withdraw from the union. The president has proposed a referendum to see whether the people are for or against a federal state. If some republics decide to pull out and remain autonomous, there is no way we can oblige them to remain and there is no question of using force to make them stay. The Soviet Union will never use imperial or dictatorial means to maintain the union. That is excluded 100 percent.

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Q. Isn't Western credit wasted so long as you don't have reform?

A. The credits we have received are, in any case, insufficient. And up until now, they have often have been absorbed without producing the desired effect. So it is necessary to reform the national economic structures in order for the credits to be useful to our economy. This is why privatization, the liquidation of the budget deficit, and very stringent monetary and credit policies are indispensable.

Only when these reforms are carried out will aid coming in various forms from the industrialized world be really efficient. It must be said that President Gorbachev attaches great importance to this question.

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Q. What are your feelings about aid coming from the West?

A. Mixed. On the one hand, I am grateful but I am also ashamed to live in a country that has to accept this kind of aid.

Soviets May Have to 'Accept Bloodshed,' KGB Chief Warns

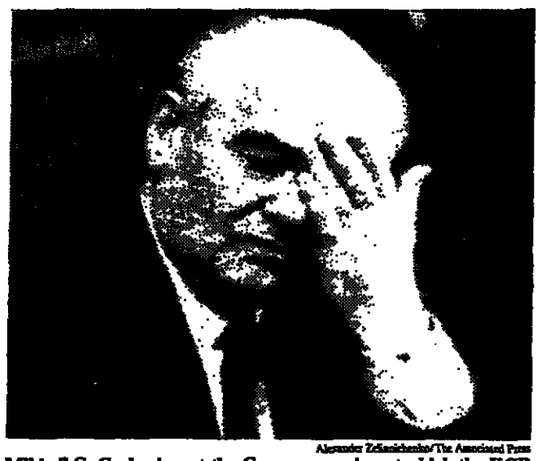
By David Remnick
Washington Post Service

MOSCOW — The chairman of the KGB has warned that the Soviet Union must be prepared to "accept the possibility of bloodshed if we are to bring about order" in the rebellious republics, and he accused the CIA and other Western intelligence agencies of helping to "masterminf" the collapse of the Soviet Union.

The KGB chief, Vladimir A. Kryuchkov, delivered his warning in a hard-line speech at the Congress of People's Deputies that struck many liberal legislators as a return to Cold War rhetoric and provided further evidence that the Soviet leadership has taken a decisive turn toward authoritarianism. In his resignation speech last week, Foreign Minister Eduard A. Shevardnadze warned of a return of dictatorial rule.

Mr. Kryuchkov accused the Central Intelligence Agency and other Western intelligence agencies of increasing their espionage activities, trying to derail the Soviet economy, gathering information on workers' movements, funding "anti-Soviet organizations" like Radio Liberty, aiding secessionist groups in the republics and "inspiring" the mass emigration of scientists, artists and other intellectuals.

He also accused the West of selling spoiled grain to the Soviet Union.



Alexander Zelenichenko/The Associated Press

Mikhail S. Gorbachev at the Congress session at which the KGB chief accused the CIA of helping "masterminf" a Soviet collapse.

"Exploiting our own mismanagement, they supply the Soviet Union with weedy and sometimes contaminated grain and foodstuffs with higher radioactivity and harmful chemical admixtures," Mr. Kryuchkov said in his speech Saturday, adding that about half of all the grain sent to the Soviet Union was unusable.

The KGB chief also made clear that the Soviet security forces expect armed struggle with what he said were a total of 26,000 local security troops in the Ukraine, Latvia, Estonia, Georgia and Armenia. He said émigré groups were aiding armed nationalists.

"The KGB is convinced that if the country continues in this vein, it will lead to chaos," Mr. Kryuchkov said. His speech to the Congress was even more emphatic than a broadcast address earlier this month in which he pledged that the secret police would do battle with "the wave of anti-Communist forces."

"Listening to Kryuchkov, you realize that the KGB has not changed its thinking one iota," said Oleg D. Kalugin, a former KGB major general who is now a legislator and an ardent critic of the intelligence agency. "It's amazing that he can talk that way when you think of all the food aid arriving from the West."

Mr. Kryuchkov and the defense minister, Marshal Dmitri T. Yazov, have taken a particularly high profile in recent months, while reformers like Mr. Shevardnadze and Alexander N. Yakovlev have left the political stage.

Tatiana Zaslavskaya, a sociologist who was one of President Mikhail S. Gorbachev's earliest supporters, said the leadership's turn to a hard-line policy was undeniable.

She said Soviet society, "which has no experience or profound expectations of democracy," was creating a public expectation for greater order. The structures of the KGB, the army and the Communist Party are exploiting that mood to "save their own skins," she said.

The sociologist said a poll just conducted by her academic institute showed that 22 percent of the population said it would welcome a military coup. That figure represents a surprisingly large minority, she said.

■ KGB and Others at Odds

Bill Keller of The New York Times reported from Moscow:

Mr. Kryuchkov's speech reflected the deep divide between the thinking of the KGB leadership and other government agencies.

For instance, while Mr. Kryuchkov charged that Radio Liberty, which sends U.S.-backed broadcasts into the Soviet Union, was a tool of the CIA, the Soviet Foreign Ministry has recently given Radio Liberty permission to open a bureau in Moscow.

He accused the West of disseminating "anti-Soviet propaganda," citing examples virtually identical to what is now routinely published in the Soviet press.

He accused foreign countries of stimulating an emigration "brain drain," thus implicitly confirming reports that the KGB has been one of the forces resisting a new emigration law hung up in the legislature for a year.

Although a number of Soviet conservatives have complained that Western economic aid was humiliating, Mr. Kryuchkov may be the first to suggest that it is sinister.

"Major difficulties on the route to improving our economic situation in the country are created by the actions of some of our foreign partners, which amount in effect to economic sabotage," he said.

Some trading partners ship the Soviet Union out-of-date technology or equipment with missing parts, he said.

Western curiosity about the Soviet economy, he suggested, is not aimed at measuring the investment climate but at uncovering weaknesses.

"Despite a thaw in international relations," he said, "a substantial increase has been registered in the activities of some Western secret services to collect information on the development of the political situation in the Soviet Union, our defenses, our scientific and technical potential, the size of strategic stockpiles of raw materials, fuel, food and currency reserves."

POWER: *Hard Days for Reform*

(Continued from page 1)

faces the specter of a huge army and secret service, a Communist Party that is said to be the biggest landowner in the world. No one of those institutions is without its vulnerabilities, its pockets of dissidents and reformers, but their senior leaderships, and their bureaucracies in Moscow and the provinces, are openly waging battle for their own survival.

Last spring, the pro-democracy forces won an extraordinary series of victories in regional and municipal elections, a wave embodied in the elections of an economist, Gavriil K. Popov, as mayor in Moscow and a lawyer, Anatoli A. Sobchak, in Leningrad. Both men quit the Communist Party and promised that they would try to create islands of free enterprise and expression in their cities.

For the Communists, the elections were a devastating revelation: in nearly every case, when people had a choice between traditional Communists and an outsider, they voted for the outsider.

Mr. Popov and Mr. Sobchak had the power of their ideas and their popular support. But with time, it became clear that layer after layer of party bureaucrats would do their best to stifle and resist the democrats once they were in office.

This summer, both Moscow and Leningrad were hit with sudden shortages of cigarettes and bread, and both mayors charged that the crises were a result of a collapsing economy and outright sabotage. The Communist Party also fought to deny city governments essential properties — television stations, municipal buildings.

Still, as the economy grew worse, the mayors' popularity began to decline. "It seems the democrats took power too soon," a Congress member said. "People like Popov and Sobchak have nothing but their own intellects."

Power in the Soviet Union has always been quick to dismiss the popular will. "What revolution?" said one of Nicholas II's ministers, Alexander Schliapnikov, in 1916. "Give the workers a pound of bread and the movement will peter out."

That appears to be precisely the strategy of the conservatives who are now obviously pushing Mr. Gorbachev to a more hard-line position. With their drive for law and order, they are essentially promising a return to the material conditions before the start of the Gorbachev changes.

"This is a battle for power in which there are no rules and no limits," said Anatoli Ananev, editor of the journal Oktyabr. "The conservatives are willing to exploit the country's empty shelves and somehow blame it on reform and say, 'Look what all this has brought us.'

"The collective farm and factory directors may be legally, technically, responsible to people like Sobchak and Popov but they ignore them. They simply respond to their old comrades, the local Communist Party bosses with whom they share the interest of basic survival."

Algimantis Cekoulis, a member of the Lithuanian parliament, said, "We democrats have discovered to our great pain that the powers that be were prepared to bend, but they would not break when it came to their own interests: the preservation of their own economic and political power."

SOVIET: *Moldavia Becomes Test*

(Continued from page 1)

emergency anywhere in the country without the consent of the local authorities. The only limitation is that the action must be subsequently endorsed by the working Soviet legislature, or Supreme Soviet, by a two-thirds majority.

Under Article 4 of the law on states of emergency, the president has the right to take draconian steps to preserve public order. He can ban strikes, impose curfews, establish complete control over the press, cut telephone lines, control the movement of citizens, dismiss any state official, forbid demonstrations and suspend political parties.

In order to carry out a crackdown against Moldavia or other republics, Mr. Gorbachev is most likely to rely primarily on some 300,000 Interior Ministry troops and the KGB security police. According to some reports, several divisions of regular troops were recently transferred to the Interior Ministry, where they will report to General Boris V. Gromov, the former commander of Soviet forces in Afghanistan.

There is always a chance that Mr. Gorbachev will not follow through on his latest threats against Moldavia. Several presidential decrees on the disarming of vigilante groups and the vetoing of republican legislation have been quietly forgotten in the last year. According to the KGB, some 400 armed formations with a total membership of some 26,000 activists are now roaming the country.

Most analysts, however, are convinced that this time Mr. Gorbachev means business. The latest presidential decree has a sharper, more peremptory tone than its predecessors. It also comes against the background of a conservative political resurgence that it will be difficult for the president to finesse.

WORLD BRIEFS

Argentine Rebels Face Death Penalty

BUENOS AIRES (NYT) — In an effort to demonstrate that military rebellions will no longer be tolerated, the government and the armed forces are seeking the death penalty for at least two leaders of the army revolt that resulted in 21 deaths and turned the heart of Buenos Aires in a series of battlegrounds before it was put down by loyalist troops early this month.

The chief army prosecutor, Carlos Dominguez, said the rebels were guilty of "mutiny aggravated by bloodshed," for which the maximum penalty is death by firing squad. He requested that the sentence be applied to Colonels Mohammed Ali Seineldin and Enrique Baraldini, and sought sentences of 15 and 22 years for two other leaders of the revolt.

Although it was the military prosecutor who asked for the death penalty, President Carlos Saúl Menem appeared to be behind the idea. He has made known in recent days that he is willing to confirm any sentence by the court martial, no matter how tough.

Immigration Surge Is Testing Israel

JERUSALEM (AP) — An Israeli immigration official urged the government on Sunday to declare a state of emergency to handle the influx of Soviet Jews, who are arriving in record numbers.

The official, Uri Gordon, head of the immigration department of the quasi-governmental Jewish Agency, said, "We will be tested by absorption. We have to declare a state of emergency in the country and create a new set of priorities." About 5,500 Soviet Jews reached Israel from Thursday through Saturday, and 1,500 more were expected on Sunday. Israel expects about 1 million Soviet Jews to arrive by the end of 1992.

Many of the immigrants have not been able to find work or affordable housing. "We should immediately freeze housing prices, and each one in the Israeli society personally has to help," Mr. Gordon said, adding: "The government alone won't solve the problem." In Beersheba, immigrants set up a tent camp to protest the lack of housing, while some Israelis staged a demonstration to urge that mobile homes for immigrants not be put near their prosperous neighborhood.

Suriname Army Commander Resigns

PARAMARIBO, Suriname (AFP) — The former military ruler of Suriname, Commander Desi Bouterse, announced Sunday that he was resigning as army chief because of differences with President Ramsewak Shankar. He will be replaced by his second in command, Lieutenant Iwan Graanoogst, an army spokesman said.

Commander Bouterse said that he did not want his resignation to halt peace talks with guerrillas led by the former army officer Ronny Brunswijk. Lieutenant Graanoogst, 38, said he would continue the negotiations.

Commander Bouterse, 45, seized power in a 1980 coup and ruled for nearly eight years before handing over power to an elected government led by Mr. Shankar. He announced his decision to resign after returning home from a trip to Europe. He accused Mr. Shankar of failing to support him during three run-ins he had with Dutch authorities during stopovers in Amsterdam last week. On the three occasions, he was refused permission to meet with journalists. The Dutch authorities said the decision was "for his own safety and in the interest of public order."

China Criticizes U.S. on Rights Stand

BEIJING (Reuters) — The Chinese Communist Party criticized Washington over human rights on Sunday after the visit of a senior U.S. official who urged an amnesty for political prisoners.

A commentary in the party newspaper, People's Daily, contrasted sharply with what U.S. officials saw as positive signs shown by China in meetings last week with the assistant secretary of state for human rights, Richard Schifter. The criticism did not mention him by name, but political analysts said the commentary was clearly aimed at him and, a Western diplomat said, probably reflected a view of hard-liners within the party opposed to such dialogue.

The commentator condemned U.S. "guardians of human rights," accusing them of hypocrisy and attempted subversion. "Everyone can see clearly that 'human rights' clamored for by these 'guardians' have been used to oppress the masses, interfere in others and protect the hegemony of rule by the bourgeoisie and dollar imperialists," the commentary said.

200 Rebels Killed in Rwanda Clash

NAIROBI (Reuters) — Rwandan troops have killed at least 200 rebels in the latest battle in the northern region of Muvumba, the state-run Rwanda radio said Sunday.

The radio, monitored in Nairobi, said the rebel troops and a witch doctor were killed after a battle in Muhumbo, Kiringa and Murumia districts in Muvumba region. It did not say when the battle occurred or how many troops were involved. It also did not mention government losses.

It said the witch doctor was killed and his paraphernalia destroyed when some of the rebels were found consulting him "so he could give them magic power to fight government troops." The rebels are members of the Tutsi minority, the former feudal rulers of Rwanda, who fled into exile when the Rwandan monarchy was overthrown in 1959 by the majority Hutu tribe.

TRAVEL UPDATE

Germany warned its nationals on Sunday not to travel to any country bordering Iraq, noting the United Nations deadline of Jan. 15, after which force may be used to expel Iraq from Kuwait. *(Reuters)*

Fierce bush fires nearly ringed Sydney on Sunday in what Australian fire officers said were the most critical bush-fire conditions in two decades. *(UPI)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Andorra, Austria, Brazil, Czechoslovakia, Denmark, El Salvador, Finland, France, Germany, Guatemala, Hungary, Iceland, Italy, Ivory Coast, Japan, Liechtenstein, Luxembourg, Macao, Madagascar, Mexico, Monaco, Norway, Panama, Portugal, Romania, San Marino, Sweden, Switzerland, Vatican City.

TUESDAY: *All countries except:* Afghanistan, Albania, Algeria, Bahrain, Bhutan, Bulgaria, China, Cuba, Egypt, Ethiopia, Hungary, Iran, Iraq, Israel, Japan, Kuwait, Libya, Mauritania, Mongolia, Oman, Qatar, Romania, Saudi Arabia, Somalia, Soviet Union, Thailand, Tunisia, Turkey, Yemen, Yugoslavia.

WEDNESDAY: Andorra, Australia, Austria, Bahamas, Barbados, Belgium, Belize, Botswana, Britain, Canada, Cyprus, Czechoslovakia, Denmark, Fiji, Finland, Germany, Ghana, Gibraltar, Greece, Grenada, Guatemala, Guyana, Hong Kong, Hungary, Iceland, Ireland, Italy, Jamaica, Kenya, Lesotho, Liechtenstein, Luxembourg, Macao, Malawi, Namibia, Netherlands, New Zealand, Nigeria, Norway, Papua New Guinea, Poland, San Marino, Sierra Leone, South Africa, Suriname, Swaziland, Sweden, Switzerland, Uganda, Vatican City, Zimbabwe.

THURSDAY: Ireland, Vatican City.

FRIDAY: Nepal.

SATURDAY: Paraguay.

SUNDAY: Philippines.

Source: J.P. Morgan, Reuters.

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	6	43	5	41	c
Athens	12	54	5	41	c
Barcelona	16	61	5	41	c
Belgrade	3	37	1	34	sn
Berlin	4	39	1	34	sn
Brussels	9	48	1	34	c
Budapest	2	36	-1	30	sn
Copenhagen	5	41	4	39	r
Costa Del Sol	15	59	5	41	r
Dublin	11	52	5	41	r
Edinburgh	8	46	7	45	r
Faro	16	61	4	39	r
Florence	9	48	-2	28	sn
Frankfurt	5	41	2	36	r
Geneva	4	39	0	32	sn
Helsinki	-1	30	-7	19	sn
Las Palmas	21	70	15	59	r
Lisbon	18	64	3	37	r
London	11	52	5	41	r
Luxembourg	4	39	0	32	c
Madrid	6	43	-3	27	sn
Milan	1	34	-5	23	sn
Moscow	-7	19	-8	18	sn
Munich	3	37	1	34	r
Nice	13	55	8	46	r
Oslo	2	36	0	32	r
Paris	8	46	7	45	r
Prague	4	39	1	34	c
Reykjavik	0	32	-3	27	sn
Rome	12	54	8	32	r
Stockholm	3	37	-6	21	sn
Strasbourg	5	41	4	39	r
Venice	7	45	1	34	r
Vienna	5	41	4	39	c
Warsaw	-2	28	-3	26	sn
Zurich	3	37	1	34	r

MIDDLE EAST

Cairo	23	73	10	50	fr
Istanbul	7	45	4	39	cl
Moscow	—	—	—	—	na
Riyadh	23	73	8	46	fr
Tel Aviv	16	61	10	50	r

OCEANIA

Auckland	—	—	—	—	na
Sydney	25	77	19	66	cl

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	25	73	fr
Beijing	4	39	-6	21	sn
Hong Kong	21	70	17	63	sh
Manila	31	88	22	72	sh
New Delhi	—	—	—	—	na
Seoul	-1	30	-7	19	sn
Shanghai	10	50	-1	30	sn
Singapore	31	88	24	75	sh
Taipei	17	63	15	59	r
Tokyo	15	59	4	39	fr

AFRICA

Algiers	—	—	—	—	na
Cape Town	27	81	15	59	s
Casablanca	17	63	7	45	s
Harare	24	75	14	61	sh
Lagos	30	86	26	79	sh
Nairobi	—	—	10	50	na
Tunis	13	55	10	50	r

LATIN AMERICA

Buenos Aires	27	81	19	66	cl
Lima	23	73	18	64	c
Mexico City	26	79	8	46	c
Rio de Janeiro	—	—	—	—	na

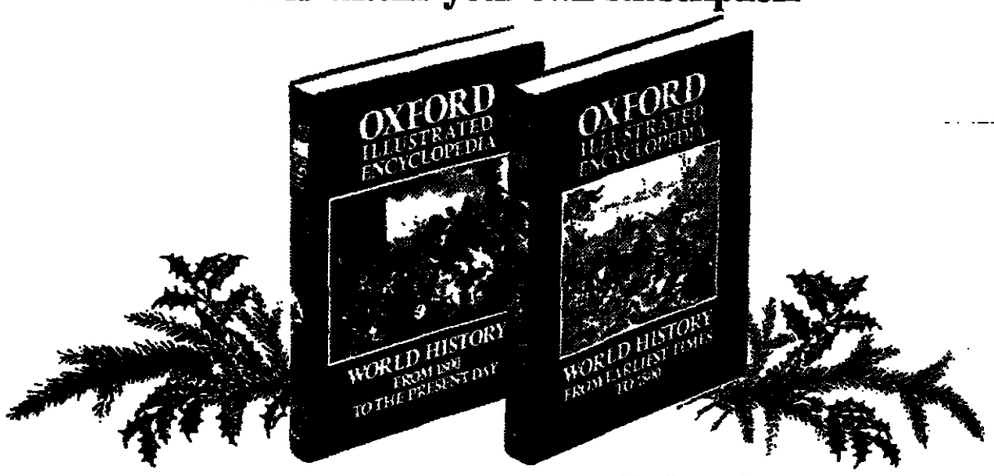
NORTH AMERICA

Anchorage	-4	25	-12	10	pc
Atlanta	16	61	0	32	sn
Boston	10	50	4	39	sn
Chicago	-13	9	-20	-4	sn
Denver	-9	16	-21	-6	pc
Detroit	-6	21	-10	14	sn
Honolulu	27	81	22	72	pc
Houston	8	32	-4	25	cl
Los Angeles	15	59	4	39	fr
Miami	29	84	21	70	fr
Minneapolis	-18	0	-34	-11	fr
Montreal	-4	25	-11	12	s
Nassau	28	82	21	70	pc
New York	19	66	5	41	sh
Phoenix	11	52	-1	30	pc
San Francisco	9	48	1	34	pc
Seattle	2	36	-1	30	pc
Toronto	2	36	-1	30	pc
Washington	7	45	-8	18	sn

c-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-storms.

MONDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Overcast. Temp. 7 — 4 (45 — 39). LONDON: Overcast with showers. Temp. 10 — 6 (48 — 39). MADRID: Overcast. Little rains. Temp. 9 — 4 (48 — 43). ROME: Overcast with showers. Temps. 11 — 4 (52 — 39). TEL AVIV: Not available. ZURICH: Overcast. Temps. 4 — 1 (39 — 34). BANGKOK: Fair. Temps. 32 — 23 (90 — 73). HONG KONG: Fair. Temps. 20 — 15 (68 — 59). MANILA: Cloudy. Temps. 30 — 22 (86 — 72). SEOUL: Fair. Temps. 2 — -6 (36 — 21). SINGAPORE: Fair. Temps. 31 — 24 (88 — 75). TOKYO: Fair. Temps. 12 — 6 (54 — 43).

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France	F.F.	1,600	1,312	880
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Gr Britain	£	150	105	82
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— *** hand delivery Madrid	Ptas.	31,680	—	25,740
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— ** hand delivery	S.kr.	2,800	840	1,540
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Rest of Afr., Gulf St., Asia	$	650		355
Central/Latin America	$	600		30

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INSIGHT GUIDES BRAZIL



هكذا من الاصل

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AMERICAN TOPICS

Makers Made Liable For Capital Gunplay

In what proponents call the most far-reaching gun-control action ever taken in the United States, Washington has enacted a city ordinance that makes manufacturers and sellers legally liable for deaths and injuries caused by assault weapons.

A spokesman for the National Rifle Association called the ordinance "cheap theatrics" and predicted that it will not stand up in court. The U.S. Congress can veto the measure, and a fight is expected when the new Congress convenes next month.

Backers say that even if Congress kills the ordinance, it may serve as a model for cities plagued by the increasing use of semiautomatic rifles, which fire without recocking each time the trigger is pulled, and automatic weapons, or machine guns, which take just one trigger pull to spew out a stream of bullets. The new law would allow private citizens to sue for damages against the makers and sellers of such weapons.

Short Takes

U.S. health costs are still outstripping inflation despite efforts by government and private industry to bring them down. Outlays climbed to $604.1 billion in 1989, an increase of 11.1 percent over 1988, Health and Human Services Secretary Louis W. Sullivan reported, calling the long-time trend "alarming." Health outlays as a share of gross national product rose from 11.2 percent in 1988 to 11.6 percent in 1989, the highest percentage for any developed country. In 1960, the United States spent only 5.3 percent of GNP on health. The amount spent last year averaged $2,354 per person.

Why buy an exercise bicycle? With a bracket in the shape of an inverted "V" to elevate the rear axle and a metal roller to provide resistance, a regular bicycle works just as well, and can be readily taken off the bracket when the weather is good enough for outdoor bicycling. The assembly costs $80 and up.

A **nutritionist** says people concerned about porpoises dying in tuna nets should eat albacore, "the only tuna that doesn't run with dolphins." In a letter to The New York Times, the nutritionist, Gretel J. Neuberger, writes, "Further, albocore is the highest in the desirable Omega-3 fatty acids and has only 18 milligrams of cholesterol an ounce, canned — by far the most nutritious."

The Watts Towers, the Los Angeles spires that Sabato (Sam) Rodia, an Italian immigrant, built from 1921 to 1924, have been declared a national landmark by the Interior Department. The towers, soaring just short of 100 feet (30 meters), are an amalgam of broken bottles, pottery shards, seashells and bits of iron held together by chicken wire smeared with ordinary builder's cement. Once threatened with demolition, they have since been designated as city and state monuments and are listed in the National Register of Historic Places.



Wade Byars/Agence France-Presse

FROZEN ASSETS — Oranges sprouted 8-inch icicles as temperatures in parts of Southern California fell to 24 degrees Fahrenheit, threatening a citrus crop valued at $680 million.

About People

The actor and director **Robert Redford** says he is selective and careful, but not over-careful. Now 53, the star of the newly released film "Havana" told a *Washington Post interviewer*: "I'm selective, yes, but careful? I don't work in a careful way, but I'm careful in what I choose to do. I'm careful, inasmuch as it's possible to design my own way, to do what I want to do and not live somebody else's life or do what somebody else thinks I should do. In that sense I'm careful, but there's not a lot of calculation to it."

"Americans are simply no good at saying, 'I'm sorry,'" Joseph Treen writes in the Los Angeles Times, and two widely misunderstood quotes have not made apologies any more popular. **Erich Segal**, author of "Love Story," the 1970 best-seller that became a hit film, told him that the line that became a byword, "Love means never having to say you're sorry," was misinterpreted by the actors themselves. The accent is on "say" — lovers, unlike other people, don't have to verbalize their apologies, he says. They can make amends with body language. Unfortunately, Mr. Segal says, in the film both Ryan O'Neal and Ali MacGraw put the emphasis on "sorry," not say.

Similarly, **John Wayne's** line, "Never apologize, it's a sign of weakness" in the film "She Wore a Yellow Ribbon," has also been distorted, according to Tim Lilley of Akron, Ohio, who publishes a newsletter of analyses of Wayne's films. This does not mean to shun responsibility but to accept it, he says. He says the Duke's film persona is that of a man of integrity who makes a tough decision, acts on it and then takes full responsibility for his action.

Arthur Higbee

States Using Tax Code to Cash In on Drug Dealers

By Robert E. Tomasson
New York Times Service

NEW YORK — A day after the police raided a jewelry store in St. Paul last month and charged its owner with cocaine possession, an agent of the Minnesota Department of Revenue went into the store and left with a bag of jewels.

On Dec. 8 and 9, the jewels were auctioned off for $160,000, and the money went into the state treasury.

Reminiscent of a system used to combat bootlegging during Prohibition, more and more states are using the tax codes to go after drug traffickers and tap some of the proceeds gained from drug sales.

Under the system, 21 states have imposed taxes on the possession of illegal drugs. On Jan. 1, Nebraska will become the 22d state to impose the tax. The states do not expect the dealers to pay the tax. Rather, the idea is to fine them much *greater amounts for not paying the taxes if they are ever* caught possessing or selling drugs.

The fines can be imposed and collected within hours of an arrest and usually kept by the state, even if the suspect is cleared of criminal charges. That person can appeal the confiscation of property through the state tax courts, but few do, since few prevail.

When the laws were imposed, some of those arrested challenged the confiscation of their property, citing their Fifth Amendment rights against compelled self-incrimination. But the highest courts in several states have rejected those claims.

In only one state has the highest court overturned the law, and that state, South Dakota, repealed its law. Since then, other states have modified their laws to take into account the South Dakota Supreme Court's objections.

"The drug tax is one of the best pieces of anti-narcotics legislation to have come along in years," said Robert D. Ebel, an official of the U.S. Advisory Commission on Intergovernmental Relations.

The key to the tax's effectiveness lies in the difference between criminal and civil penalties. Under criminal law, the prosecution must establish guilt beyond a reasonable doubt, and assets may be seized only after a court is satisfied that the defendant's constitutional rights have been observed. But under civil codes like the tax laws, the obligation shifts to the accused to establish that a penalty is unfounded or unfair.

> **'The drug tax is one of the best pieces of anti-narcotics legislation to have come along in years.'**
> **Robert D. Ebel, a U.S. official**

In a tax audit, for example, the burden is on the taxpayer to justify deductions, not on the tax collector to prove that they do not exist.

In the same way, people arrested with drugs in their possession could be fined for a civil violation of the tax code if the state could show they had not paid any tax on the drugs. Even if they escaped criminal prosecution on grounds such as having been illegally searched, under civil law they would have to prove to the tax-collecting agency that they were unaware of the drug.

"All we need to establish is knowledge and control," said Ken Kincade, a collection officer for the Minnesota Department of Revenue. "While the police have to establish ownership, we go after anyone who knows about the drugs and could do something to them."

The wife of a man suspected of being a drug dealer was taxed and then fined, Mr. Kincade said, because she had access to a room where the drugs were kept.

A man who had sold his house and had helped the new owner move his possessions, including some marijuana plants, was taxed and fined. (So was the owner of the plants, who also faced criminal charges.)

Although such laws have had little effect in some states, Minnesota and several others consider it an increasingly effective way of striking financially at drug dealers. Mr. Ebel and others say the measure is a workable way for the states to tap into the illegal and untaxed multibillion-dollar drug economy.

Some of the early critics of the measure maintained that by taxing drugs, the states gave the impression of legitimizing their use. They said the imposition of a tax whose primary goal was not to collect money but to establish penalties was a cynical way to make up for ineffective criminal prosecutions.

But most of the early doubts about the constitutional issues appear to have been resolved, although doubts still remain about the measure's effectiveness.

Richard D. Tulisano, chairman of the Judiciary Committee of the Connecticut General Assembly, which is now considering such a law, said the drug tax was a "silly" measure that substituted "a gimmick" for preventive measures. "If we can't collect regular taxes, we can't assume we'll collect on illegal things," he said.

Supporters argue that the U.S. Supreme Court has repeatedly upheld the taxation of illegal gains, including a ruling in 1961 in a case involving embezzled funds, James v. United States. In that case, the court held that there "has been a widespread and settled administrative and judicial recognition of the taxability of unlawful gains of many kinds."

So far, there has been no challenge in the federal courts of the drug tax.

Ohio Governor Pardons 25 Battered Women

By Isabel Wilkerson
New York Times Service

CHICAGO — Governor Richard F. Celeste of Ohio has granted clemency to 25 women who had been convicted of killing or assaulting husbands or companions who the women said had physically abused them.

A total of 21 of the women are to be released in the coming weeks, and the remaining four will be required to serve a minimum of two years in prison.

It was the first mass release of battered women inmates in the United States, advocates of abused women said. The move was praised by women's rights advocates but assailed by judges and prosecutors.

Governor Celeste, who is leaving office next month, cited a ruling by the state's highest court this year that allowed female defendants in Ohio to present expert testimony, for the first time, in a defense of being a "battered woman."

In light of this, he said, he reviewed the records of more than 100 women in prison for killing or assaulting a spouse or male companion and decided to commute the sentences of 25 of them.

He defended the releases as recognition of the complicated lives and motivations of these women.

"These women were entrapped emotionally and physically," Mr. Celeste said in a telephone interview. "They were the victims of violence, repeated violence. They loved these men even though they beat them and feared them. They were so emotionally entangled, they were incapable of walking away. If I thought they would be a threat, I wouldn't have commuted their sentences."

Dr. Lenore Walker, executive director of the Domestic Violence Institute, a nonprofit research and advocacy group in Denver, said: "This is a signal to the rest of the country that women will no longer permit themselves to be battered and abused by men.

"They should never have been in prison in the first place. Women don't kill men unless they've been pushed to a point of desperation."

But prosecutors said the action could encourage more women to use violence to escape abuse.

"The fact that you're battered does not give you the license to kill," said Dennis Watkins, the Trumbull County prosecutor. He is president of the Ohio Prosecuting Attorneys' Association.

Granting the clemency was Mr. Celeste's last major action before leaving the governor's office and an especially symbolic one for a man who, with his wife, Dagmar, turned their Cleveland home into a shelter for battered women.

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G. G. Schocken, Israeli Editor, Dies

The Associated Press

JERUSALEM — Gershom Gustav Schocken, 78, the veteran editor of the Israeli daily Haaretz and one of the country's most acclaimed journalists, died Saturday in Tel Aviv after a prolonged illness.

Mr. Schocken was born in September 1912 in Zwickau, Germany, and was the eldest son of Shlomo Salman Schocken, a businessman and art collector who established the Schocken Publishing Houses.

He studied economics at Heidelberg University in 1932-1933 and, with the rise of the Nazis to power in Germany in 1933, moved to British-ruled Palestine, where he worked for the Anglo-Palestine Bank.

Mr. Schocken's father purchased Haaretz in 1937, and Mr. Schocken became a business manager at the newspaper. He was appointed editor in 1939 and held the post until his death. In 1955, Mr. Schocken was elected to the Knesset, the Israeli parliament, as a member of the Progressive Party. Mr. Schocken was active in the so-called Editors Committee of the major Israeli dailies and was one of the founders of Itim, Israel's national wire service.

Janet Chusmir, 60, Editor of Miami Herald

MIAMI (NYT) — Janet Chusmir, 60, executive editor of the Miami Herald and a leading proponent of women's advancement to the top levels of management in American journalism, died Saturday in Miami of a brain aneurysm.

In her three-year tenure as executive editor, the Herald won two Pulitzer Prizes. And in November 1988, less than a year after she was appointed to the paper's top news post, the Herald introduced El Nuevo Herald, a Spanish-language newspaper with a separate staff. A month ago, she was named Editor of the Year by the National Press Foundation.

Michael Oakeshott, 89, British Political Scientist

New York Times Service

Michael Oakeshott, 89, an iconoclastic British political scientist who was widely embraced by Conservatives though he rejected any ideological label, died Dec. 13 in the cottage in Dorset, England, where he had lived since he retired in 1969.

"I am a member of no political party," he once said. "I vote — if I have to vote — for the party which is likely to do the least harm. To *that extent, I am a Tory.*"

In 1950, his appointment to the professorial chair at the London School of Economics that had been occupied by Harold Laski, a noted leftist, startled the academic world. Mr. Oakeshott nevertheless found a home at the school and continued to be regarded a guru of the right wing in Britain. He wrote "Rationalism and Politics," published in 1972, "On Human Conduct" (1975) and "Essays on Learning and Teaching" (1989).

Clarence L. Johnson, 80, Leading Aircraft Designer

BURBANK, California (NYT) — Clarence L. Johnson, 80, one of America's foremost aircraft designers, who developed advanced civilian and military planes, including the U-2 for Lockheed Corp., died here Friday.

He played a leading role in the design of more than 40 aircraft, including the YF-12 and the SR-71 Blackbird, both able to make long-duration flights at speeds of more than 2,000 miles an hour (3,200 kilometers an hour); the U-2 high-altitude reconnaissance plane; the F-104 Starfighter, and the P-38 Lightning of World War II. He also helped design the Agena spacecraft, Constellation airliners, Hercules cargo planes, the P-2V Neptune, an anti-submarine aircraft and many experimental aircraft.

Bush Vows a Veto Of Estimate Bill

Washington Post Service

WASHINGTON — Wading into a battle over who gets to estimate the real cost of spending and tax bills, President George Bush has threatened to veto any legislation that would give the power to congressional bodies rather than to the White House.

Mr. Bush said that a rule approved by the House Democratic Caucus earlier this month that would use the Congressional Budget Office and Joint Congressional Tax Committee estimates of tax and entitlement spending would "undo" last year's budget agreement. Mr. Bush threatened to veto any bill that took the power of judging costs out of his hands.

White House officials said that the administration would judge the actual costs of tax cuts or new spending for entitlement programs, and that this power was deliberately negotiated into the final budget pact. Who gets to do the count has been a continuing battle between the White House and Congress. Neither side trusts the estimates of the other.

White House Bars Transit Aid Plan

New York Times Service

WASHINGTON — The White House budget office has rejected the Transportation Department's proposals on federal aid to cities for mass transit, recommending that spending be cut even though the gasoline tax that pays for such programs has just been raised. The cuts would amount to hundreds of million of dollars.

Advocates for local transit agencies, who described the budget plans on the basis of their private talks with administration officials, said the Office of Management and Budget wanted all federal financing for commuter buses, trains and subways to come from the gasoline tax. In the past, about a third of the financing has come from general revenue. Federal aid for mass transportation totals almost $3.4 billion this year.

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LONDON, FEBRUARY 12, 1991

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International Herald Tribune
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Walesa Becomes President

The 'Bad Time' Is Over, He Says

Compiled by Our Staff From Dispatches

WARSAW — President Lech Walesa, on his first full day in office, sought conciliation Sunday with his predecessor, General Wojciech Jaruzelski, a man who had tried to crush Mr. Walesa's Solidarity movement.

During a 50-minute meeting the general "shared his experiences of performing the presidential office" with Mr. Walesa, according to a brief communiqué issued by the PAP news agency.

Mr. Walesa, the 47-year-old shipyard electrician, was elected Dec. 9 in Poland's first popular presidential vote and took the oath of office Saturday.

General Jaruzelski, the former Communist Party chief, was not invited to the inaugural ceremonies. His parliament gallery chair was empty when Mr. Walesa, whom he interned with thousands of others during a martial law crackdown in December 1981, was sworn in before the National Assembly.

"With this moment, the Third Republic of Poland is solemnly beginning," Mr. Walesa said. "Nobody, nothing can lessen this fact. The bad time, when the authorities of our state were elected under pressure from aliens or in effect of imposed compromises, is coming to an end."

Mr. Walesa was elected on a platform of accelerating the pace of political and economic change. But he has had trouble organizing his administration.

A focal problem appears to be the amount of autonomy Mr. Walesa is willing to grant his prime minister. His first choice for the post was Jan Olszewski, a respected lawyer who had understood that he had carte blanche in forming a government. But late in the process, a message from from Mr. Walesa specified 10 persons who should be given cabinet jobs. Mr. Olszewski pulled out of contention last Tuesday.

Another reason for the collapse of Mr. Olszewski's efforts, an associate said, was a dispute over the future role of Leszek Balcerowicz, the finance minister and vice prime minister.

The architect of Poland's ambitious program for economic change, Mr. Balcerowicz is highly regarded by U.S. officials and international economic institutions. But at home he receives a mixed reception, with some Poles blaming him for the economic hardships that have accompanied the plan.

Some in the Walesa camp favored ending Mr. Balcerowicz's tenure as vice prime minister, a move that would end his unchallenged leadership of economic policy. Mr. Walesa rejected that proposal, making it clear that he believed Western help hinged on retaining Mr. Balcerowicz as vice prime minister.

The new president mentioned Mr. Balcerowicz by name in his inaugural address, declaring that the economic plan would be continued with "modifications."

Asked whether the U.S. Embassy in Warsaw had urged Mr. Walesa to maintain Mr. Balcerowicz's position, Mr. Olszewski said: "I was in Warsaw. Mr. Walesa was in Gdansk. I don't know exactly what was going on. But I'll not be revealing any secrets if I say there were such pressure on everyone around Walesa." *(AP, NYT)*



Leszek Wdowiński/Reuters

Lech Walesa kissing a military banner as he received the allegiance of Poland's armed forces.

Slovenia Voters Back Independence

Compiled by Our Staff From Dispatches

BELGRADE — A huge majority of voters in the Yugoslav republic of Slovenia voted in favor of independence in a referendum on Sunday, according to unofficial results reported by the Tanjug news agency.

The agency said that with the votes of 800,000 people counted, more than 760,000 — or 95 percent — had replied "yes" to the question "Do you want Slovenia to become an autonomous and independent state?"

The electorate totals about 1.5 million.

Officials said the turnout was 87.7 percent.

Some observers said, however, that the significance of the vote was not clear, because Slovenian officials have said that independence does not necessarily mean secession.

They have suggested that Slovenia could remain part of Yugoslavia as a sovereign republic within a confederation if such an arrangement could be reached with some or all of the other five republics.

Slovenian leaders said that if the vote favored independence, they might try to negotiate a looser form of association with the other republics over the next six months.

Lojze Peterle, the Slovenian prime minister, had reassured voters that "nothing tragic will happen" if they voted for independence.

Janez Drnovsek, Slovenia's representative on the Yugoslav presidency, said Sunday after voting in the republic's capital of Ljubljana: "Slovenia will of course try to negotiate a new Yugoslav agreement such as a loose confederation. If this is not possible, then we will have no other choice but to seek complete sovereignty and complete separation."

The Slovenian parliament, including the Communist opposition, has given its backing to independence, ignoring warnings by the federal government and the army of the risks it would face by unilaterally leaving the federation. *(AFP, UPI, Reuters)*

Albania Sets Up Group to Monitor Human Rights

Reuters

TIRANA, Albania — Leading Albanian intellectuals have set up the country's first independent human rights group as the country moves toward democracy after four decades of Stalinism, one of the organizers said Sunday.

"Our activity will be to press for the release of all political prisoners in Albania and to monitor legal procedures," said Arben Puto, chairman of the Forum for the Defense of Human Rights.

Mr. Puto said he did not know how many political prisoners there were in Albania.

"There are rumors that there were several thousand. Some have been released in recent years but now they must all be set free. It's nonsense to accept pluralism but still to have political prisoners," he said.

"Our activity could even help the authorities to ensure that the law is respected by everybody. We hope we will be legalized promptly," he said.

Progress Cited in Cambodia Talks

By Steven Greenhouse
New York Times Service

PARIS — Cambodia's four warring factions increased the prospects of ending two decades of war in their nation Sunday by approving most aspects of a detailed United Nations peace plan that calls for a cease-fire and free elections.

But at the end of a two-day meeting in Paris, overall approval of the plan was snagged by a dispute over proposals to demobilize and disarm Cambodia's official army and the three guerrilla groups seeking to topple the government.

Foreign Minister Roland Dumas of France, who was one of the meeting's co-chairmen, said the talks made some important progress. He said that he hoped to convene a 19-nation conference in a month or two that would ratify a peace treaty.

"The meeting's conclusion gives hope," Mr. Dumas said.

The other co-chairman of the meeting, Foreign Minister Ali Alatas of Indonesia, said that the session was a step forward "on an irreversible path to a comprehensive solution."

Officials at the meeting said the main breakthrough was that the Vietnamese-backed Phnom Penh government had approved a plan under which UN representatives would administer the country pending free elections.

Before the meeting, the government of Prime Minister Hun Sen had criticized the UN plan on the ground that it would take too many powers away from his government.

Under the plan, a United Nations Transitional Authority for Cambodia would run the ministries of foreign affairs, defense, finance, public security and information. Western diplomats said this was considered essential to help ensure peace and to create a neutral atmosphere to allow free and fair elections.

When the meeting began on Friday, the three guerrilla factions all expressed support for the UN plan.

There are two anti-Communist factions, one headed by Prince Norodom Sihanouk and the other by former Prime Minister Son Sann. The third guerrilla group is the Khmer Rouge, which ruled Cambodia from 1975 to 1978. During its reign of terror more than one million Cambodians died.

At a news conference after the final communiqué was signed, Mr. Dumas acknowledged that the main obstacle to agreement was that the Phnom Penh government did not accept the outline in the UN plan for demobilizing and disarming the warring factions.

In addition, he said, there was a "less important" obstacle: the Hun Sen government wants any final peace treaty to mention "genocide," which would be an allusion to the Khmer Rouge, by far the strongest of the three guerrilla groups.

The Khmer Rouge opposes any mention of genocide.

Prime Minister Hun Sen, who collapsed of fatigue on Friday afternoon, returned to the talks late Saturday night.

GULF: *Cheney Says 'Clock Is Ticking' for Iraqi Leader*

(Continued from page 1)

reply, warning Mr. Hussein against employing poison gas.

"I think he knows our response would be overwhelming," Mr. Cheney said, standing on a tank.

On Sunday, a senior American military official said American troops "understand that we're going to be on a heightened state of alert at that time because the enemy might think that we won't be and try to take advantage of us."

The commander of U.S. forces in the Gulf, General H. Norman Schwarzkopf, acknowledged that the multinational force massing against Iraq faced increased danger over Christmas and said his troops would be prepared.

"You bet. I don't tell the enemy anything but I will damn sure tell Saddam Hussein that he should not expect us to be all stood down on Christmas and think that he's going to be able to catch us napping and asleep on Christmas Day," he said.

In another development, an American magazine reported that Iraq and Libya had agents in place ready to attack U.S. and British targets in the Middle East, Europe and the United States if a war begins in the Gulf.

The magazine, U.S. News & World Report, said American intelligence agencies believed there were underground cells of Islamic extremists in major U.S. cities ready to act on orders from Iraq or Libya in case the United States and its allies attack Iraq.

Based on counterintelligence evidence gathered in Turkey, Morocco and Pakistan, analysts have concluded that terrorist gangs financed by Mr. Hussein and Colonel Moammar Gadhafi, the Libyan leader, have already picked their targets for a revenge offensive in case of war, the magazine said. *(Reuters, AP)*

■ Some Allies Won't Fight

Mr. Cheney said Sunday that several nations in the 28-member force arrayed against Iraq would not fight to drive Iraqi troops from Kuwait if they were not withdrawn by the UN deadline, the Los Angeles Times reported from Cairo.

All the countries agree that Iraq must retreat from Kuwait, Mr. Cheney said, but "it is clear that there are varying levels of commitment in terms of willingness to use offensive military action to achieve our objective."

He would not specify those nations unlikely to participate in military action, but he pointedly refused to include France and Syria among stalwart supporters of U.S. policy.

CONGRESS: *A Key Senator Offers a Grim Scenario*

(Continued from page 1)

Press," brought into sharp focus the policy differences between the White House and leaders of Congress at a time when Bush administration officials were delivering to U.S. forces in Saudi Arabia a message stressing imminent conflict.

The Senate majority leader said he still saw "some prospect" for a meeting between Secretary of State James A. Baker 3d and President Saddam Hussein of Iraq. Depending on the outcome, he said, Congress could debate a war-authorization resolution early next month.

Mr. Mitchell has just returned from a trip to the Middle East. His comments on Israel's possible role in a war carried a sobering message not only to the White House but also to the American public, which he said did not fully appreciate the gravity of the Israeli connection to the Gulf crisis.

"Saddam Hussein has said over and over again that if he is attacked, he will attack Israel," Mr. Mitchell said. "If he does that, Israel will surely respond. And if Israel responds, Syria will probably change sides, abandon the coalition and fight against Israel. And it places great stress on our other partners, Egypt and Saudi Arabia.

"If that occurs, American interests could be severely affected for decades to come."

Mr. Mitchell urged Mr. Bush to "stay the course with current economic sanctions, which are having a real effect in Iraq, and try to bring about the withdrawal that way."

"If we must use force ultimately, I will favor that. I don't think January 15 is the time for that," he added, referring to the deadline for an Iraqi pullout from Kuwait set by the United Nations Security Council.

Mr. Mitchell laid out in stark terms his differences with the White House over the war-making powers of the presidency and Congress. The issue looms large with Congress returning to session Jan. 3, less than two weeks before the UN deadline.

The president must "come to Congress" if he decides to make war, Mr. Mitchell said.

"I believe offensive military action in the current circumstances in the Persian Gulf are self-evidently the making of war," a power the Constitution reserves for Congress, he said.

"I think he would need the prior approval of Congress," he added. "I've told the president that many, many times. I regret to say that it appears that the administration doesn't agree."

The form of any war authorization would be crucial, he indicated. Mr. Bush wants Congress to pass "a blank-check authorization, to say that the president at some indefinite future time, under unspecified circumstances can make war," Mr. Mitchell said.

"I don't think such a resolution would pass," he said. "I surely would not vote for it."

WORK: *Computers Becoming Electronic Big Brothers*

(Continued from page 1)

against 24 percent of the other workers.

Three years ago, the Congressional Office of Technology Assessment estimated that six million to 10 million workers were regularly monitored electronically at their computers. Mr. Smith said the number has probably doubled since then.

At hundreds of companies, the performance of data-entry clerks is judged by the speed of their computer-measured keystrokes. Directory assistance operators at telephone companies are allotted 25 seconds or less to root out a number, however vague the request, and computers record their times.

In supermarkets, computers measure the speed with which the checkout clerks sweep purchases over the optical scanners.

Nine-to-Five, the Cleveland-based organization that runs a telephone hot line to take worker complaints about monitoring, says most of the hundreds of calls it receives annually come from airline and telephone employees.

At TWA, agents in Chicago and at the company's other telephone reservation offices in New York, St. Louis and Los Angeles get weekly and monthly report cards based on the computer's measurements of the time they spend on the phone and on the supervisors' assessments of their phone conversations.

Grades run from 1 (very bad) to 5 (very good). Workers earning 5s are awarded certificates that entitle them to an hour off with pay. Getting 1s and 2s brings days off without pay and the possibility of eventual dismissal.

At the Chicago office, sales agents can be up to 30 seconds late before they are docked. Once at their desks, the agents enter individual passwords into their computers and phones.

"Then you hit the 'Avi,' button," said Betty Granger, an agent assigned to handle complaints from passengers. "Hitting Avi means you're available. The calls start popping in."

And the computer starts counting. It counts the duration of a call and the time an agent spends between calls, usually to wrap up a reservation.

A few years ago, agents were allowed seven seconds between calls, Ms. Tempsede said, but now all computer-calculated time between calls is weighed against them in determining their grades.

When the company has what it deems an emergency, like a discount fare promotion that prompts a lot of calls, it can require agents to work beyond their normal quitting times.

"They can come tap you on the shoulder and force you to work one hour, two hours," said Richard DeVito, an agent at TWA's office at Penn Plaza in Manhattan. "We've had women going out of there almost hysterical."

Critics say the system has built-in flaws. With its computers, TWA can determine how many seats an agent sells, but it cannot distinguish between the sale of a money-losing, $99 discount fare and a globe-hopping, $8,000 first-class fare.

"A real question about these systems is whether the indicators they use are legitimate," Mr. Smith said. "It's much easier to use them to increase quantity than quality."

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THE GULF: U.S. forces, determined not to fail again, would apply lessons from a lost Asian war



Bob Sullivan/Agence France-Presse

At a news conference in Saudi Arabia on Sunday, General H. Norman Schwarzkopf, left, U.S. commander in the Gulf, talking with General Colin L. Powell, chairman of the Joint Chiefs of Staff.

For Christmas in Gulf, U.S. Troops Display Devotion and Discretion

By Philip Shenon
New York Times Service

AL KHOBAR, Saudi Arabia — U.S. soldiers and sailors will celebrate an old-fashioned Christmas in the Saudi desert on Tuesday, complete with festively decorated trees, bands of Christmas carolers and, for those who are not on late duty, the traditional midnight Mass.

But it is most likely that the Saudi public and the rulers of this Muslim nation will barely notice. Outside of war plans, perhaps no subject is treated by the Defense Department officials here with such sensitivity and secrecy as that of religion.

Military officials say the hundreds of thousands of U.S. troops in Saudi Arabia as part of the international force arrayed against Iraq are permitted to worship as they choose, but quietly and with discretion.

The idea, they say, is to avoid any offense to the religious leaders of Saudi Arabia, a nation that recognizes only one faith: Islam.

"As the guardians of Islam's holy places, the Saudis restrict the overt practice of proselytizing of any religion other than Islam," the Pentagon said in a statement outlining its policy on religious worship. "Our personnel, whether Jewish, Christian or any other faith, are free to practice their religion as long as they do so in a discreet manner."

That means that although there is a full range of religious services on U.S. military installations in Saudi Arabia, soldiers who wear a cross or a Star of David around their necks must keep the symbol hidden beneath their uniforms.

There are reports of some army commanders who limit the display of religious symbols even at private gatherings.

U.S. soldiers are being warned not to discuss their religious beliefs with Saudis and not to take Bibles outside their compound. They are told that in public settings, their religious services should be described as fellowship meetings and that their chaplains be identified as morale officers.

On Christmas Day, soldiers will have church services and a full Christmas feast with turkey and the trimmings. But all of it will take place on military installations, away from the Saudi public.

Restrictions are also being applied to journalists, who are barred from observing any religious services on U.S. military installations and are routinely refused interviews with chaplains.

Western reporters who wish to worship are advised to seek out an invitation to one of the many services organized privately by expatriate workers in this Gulf port just south of Dhahran.

The rules have disturbed some U.S. soldiers and sailors, who say they resent any prohibitions on their religious freedom, especially in a country that they are now being asked to defend with their lives.

"Saudi Arabia invited us to come here, and I believe we should be able to practice our religion openly, however we choose," said Specialist Smiley Wilson, who is part of a chemical-warfare decontamination squad in the army's 82d Airborne Division. "Why can't I wear a cross around my neck and show it if I want to?"

Private Mylinda Harr of the army usually wears a cross around her neck. "But I don't now," she said. The restrictions on public religious displays "have really upset a couple of people I know," she said. "They feel they should be allowed to worship however they want."

Military officials say the Pentagon agreed to the restrictions at the request of the Saudi government. Saudi officials say that Riyadh is willing to allow Christian and Jewish soldiers to worship on Saudi soil but that public religious displays would upset the nation's fundamentalist religious leaders.

"This is a Muslim country, and the fundamentalists have much power," one Saudi said. "We have always had many people of many faiths working in Saudi Arabia. They can all worship God as they choose. All we ask is that it be done quietly."

Defense Department officials said there was also a fear that Iraq might use news coverage of non-Islamic worship services in Saudi Arabia, particularly television broadcasts, as a propaganda tool.

"Can't you see Saddam getting videotape of a Hanukkah service or of soldiers singing 'Silent Night' and running it on TV over and over again, and arguing that the Islamic holy places are being defiled?" a Defense Department official said, referring to President Saddam Hussein of Iraq. "It would be garbage, of course. But it would also be dangerous for everyone."

Journalists were allowed to visit military installations in Saudi Arabia where Christmas preparations were under way. But soldiers meeting with them were urged by their commanders not to discuss the holiday's religious significance and, if Christmas songs were sung in the presence of reporters, to stick to nonreligious tunes like "Jingle Bells."

U.S. Lifts Curbs on Iran Oil

Limited Amounts Can Be Imported

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — The Bush administration has quietly authorized American oil companies to import limited amounts of crude oil from Iran, partly relaxing a ban on all Iranian goods imposed in 1987 near the end of the Iran-Iraq war.

The action, approved by the president in early November, allows the companies to apply on a case-by-case basis for permission to import Iranian crude, with the provision that their payments be channeled into an escrow account that finances U.S. claims against Iran dating to the 1979 overthrow of the shah.

Companies will still be barred from sending money to Iran, the Treasury declared in confirming the action, which was first reported in Platt's Week, an industry newsletter.

The main motivation for the decision, a State Department official said, was to ease the payments awarded by the Iran-U.S. Claims Tribunal, an organization set up in The Hague in early 1981 to arbitrate disputes involving broken contracts and expropriated property.

But the move was also seen, the official acknowledged, as providing another oil-supply option should war break out in the Middle East and shortages develop.

The government contended that allowing Iranian oil to be imported under the specific license, envisioned in regulations putting the 1987 ban into effect, "is not a concession" to Iran and that the action had no connection with the multinational sanctions against Iraq to which Iran is committed.

"It is our interests to do this since we wish to see the Security Account replenished," the official stated. "We want to encourage the settlement of claims."

But Iran badly needs to bolster its hard currency reserves, and to the extent that deposits are made to the escrow account from other sources, Iran's reserves are not depleted.

The Security Account, the vehicle for paying tribunal awards, has been replenished by Iran on numerous occasions over the years, in many cases by reinvesting interest.

But the balance has now fallen to $269 million, well below the required $500 million minimum, an official said.

Last week, Arco, the Los Angeles-based oil company, settled under tribunal auspices a claim that is to yield it $9 million, but an Arco spokesman said he had no information about when it was expected to be paid or whether the company, largely a domestic operator, expected to buy Iranian crude.

In Desert, Lingering Echoes of Vietnam

By Guy Gugliotta
Washington Post Service

WITH U.S. FORCES, Saudi Arabia — The small band of Vietnam veterans facing the Iraqi Army across the northern border of Saudi Arabia see themselves as having a big stake in Operation Desert Shield. They feel as though they rebuilt the U.S. armed forces almost from scratch, determined that they would never fail again.

They say they believe they have prepared well. Soon they may have the chance to prove it.

Fifteen years after the fall of Saigon, the numbers of Vietnam veterans on active service are few and gradually dwindling, but they dominate the upper echelons of the officer and enlisted corps. General H. Norman Schwarzkopf, commander of allied forces in Saudi Arabia, heads the short list of Desert Shield leaders who were in the armed forces the last time the United States mustered more than 400,000 troops on a foreign battlefield.

Today's soldiers are their creation: highly trained, physically fit, all volunteers, a professional force of military men and women that, theoretically at least, should present fewer discipline and morale problems than their counterparts of that earlier time.

And the battle doctrine is theirs as well: full-scale strikes from the start meant to achieve a clearly defined objective in the shortest possible time with a minimum loss of life — and a minimum loss of political will. There will be no dawdling, no soul-searching, they say.

Both today's soldiers and their strategy for war are reactions to Vietnam, a perception by the leadership that failure in Southeast Asia owed itself to a political policy of morale-sapping gradualism in the application of force and a military policy that accepted stalemate as the status quo. This will not happen again, the leaders say. Today's war may be quick and clean or it may be quick and dirty, but above all, said the Marine commander, Lieutenant General Walter Boomer, it will be quick — and "fairly brutal."

General Boomer and other veterans have absorbed the lessons of Vietnam. They take differences of opinion for granted, but this has become a source of confidence rather than concern. The veterans do not want another Vietnam and have done everything they can to make sure the next war is nothing like it. In this respect, Desert Shield was made to order.

Vietnam was a jungle guerrilla war, often fought at close quarters, a light-infantry nightmare of immediacy. The war against Iraq will rely, certainly at the outset, on massive use of U.S. air power. But the ground war will be a sharp contrast to Vietnam, involving tank battles by huge armored forces on both sides in the open desert, as well as a high-tech duel, particularly on the American side, of laser-fired weapons, guided missiles and the risk of sudden, impersonal oblivion.

Politically, Vietnam was a civil war of competing ideologies, ultimately forcing the United States to choose sides against itself. A war in the Gulf, though, would be fought to protect more widely agreed upon U.S. interests against an easily recognized foreign aggressor.

"In Vietnam, we did not have a clearly articulated strategy for the use of military force," said Brigadier General Robert P. McFarlin, 48, a former adviser to Vietnamese troops and now the support commander of the U.S. Army's Germany-based VII Corps. "Here, President Bush has described the measure of success in clearly defined terms. We never had that in Vietnam."

Vietnam was also fought mostly by draftees, amateurs — some of them making the best of a bad situation, some of them reluctant soldiers disgusted and demoralized by a war without end. Desert Shield, by contrast, will be fought by volunteers who say they see military service as an opportunity rather than an obligation.

That stated motivation will soon get its toughest test if these volunteer forces are ordered into the most intense combat the U.S. military has faced since Vietnam.

In general, the Vietnam veterans seem to have prepared today's soldiers almost as if they had something like Desert Shield in mind. Despite the waiting game, the volunteers are better trained and presumably more highly motivated and finely tuned for a technologically complicated, fast and possibly ruthless confrontation, where getting it right the first time is likely to be the measure of success.

It is not that draftees of the past were bad, said Sergeant Major Russell Kendall, 43, who served two tours with the Marines in Vietnam in 1966-68. "When you were in a predicament, you had to perform — it didn't take a volunteer or a brain surgeon to know that."

What Sergeant Major Kendall and others like about the volunteers is that they have given the leadership an opportunity to build unit cohesiveness. Instead of trying to integrate untested replacements one-by-one, as in Vietnam, the Desert Shield soldiers have come to Saudi Arabia in units and will leave the same way.

ACROSS

1 Let on
6 Diego's double affirmative
10 Theater section
14 Designer Geoffrey
15 Norse god of war
16 Butterine
17 Cleo's boat, e.g.
18 A Druid, for one
19 Alda of "M*A*S*H"
20 Pre-Christmas purchase
23 "People —— Funny"
24 Fish eggs
25 Christmas treats
33 Rajah's wife
34 Use soap and water
35 Egg: Comb. form
36 —— Stanley Gardner
37 Meager
39 "Hansel and Gretel" prop
40 Vigoda or Lincoln
41 Avoid
42 Memorable battleship
43 Hanukkah latkes
47 Diminutive ending
48 German article
49 Hanukkah purchase
57 Lightning flash
58 How rioters run
59 One of the Muses
60 "—— Want for Christmas . . ."
61 Apple leftover
62 Copter part
63 Delight
64 Gentle and caring
65 All tuckered out

DOWN

1 Israel's Eban
2 —— reckoning
3 Entrepreneur Griffin
4 "Picnic" playwright
5 "I Was a —— Werewolf"
6 British football
7 Thought
8 Spot for a houseplant
9 Savings bond's plus
10 Replete with moola
11 Spanish stewpot
12 Equipment
13 Era after era
21 Uno, due, ——
22 Biblical carpenter
25 Filmdom's Greta
26 Fjord, e.g.
27 Born, in Bordeaux: Fem.
28 African term of address
29 Took to one's heels
30 "It's a Wonderful Life," e.g.
31 Levels (off)
32 Clementine's shoe size
33 Harvest
37 A closet organizer
38 Ryder or Stanley
39 Furniture wood
41 Norman town
42 Deportment
44 Em, to Dorothy
45 Pitched woo
46 Security org.
49 Gangster's gal
50 That Gallic girl
51 Mine, to Marceau
52 Unicorn feature
53 Let fall
54 Tardy
55 Collar type
56 Separate and arrange
57 Shopping aid

Solution to Friday's Puzzle

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© New York Times, edited by Eugene Maleska.

BOMB: *Iraqis Acquired Hardware and Skills for Weapons Production*

(Continued from page 1)

the international scrutiny provoked by the Gulf crisis have crippled Iraq's black-market purchasing efforts.

But these beliefs are not universally shared. In Germany, where Iraqi military officials have focused much of their illicit effort, senior government officials said they fear the Iraqi president, Saddam Hussein, is making surprising progress toward gaining an atomic capability.

"We all thought it would take 10 years," a German official said in a recent interview. "Now the estimate is five years. They have accomplished a great deal."

Iraq's determination was underscored this week when a German nuclear expert, Bruno Stemmler, gave a firsthand account of its gas-centrifuge efforts to The Times's Bonn bureau.

Mr. Stemmler, 57, worked until 1989 for Germany's MAN Technologien GmbH, which builds centrifuges for Europe's nuclear fuel consortium, Urenco.

In 1987 and 1988, he said, he secretly visited Iraq with a former MAN centrifuge engineer, Walter Busse, to discuss a solar-power program.

But Mr. Stemmler said the Iraqis took him to a secret location near Baghdad and asked for advice on Iraq's centrifuge program.

He said he saw blueprints for a gas centrifuge. And he saw a test centrifuge he said was having problems with U.S.-made vacuum pumps.

"When they came to me with these problems — the vacuum problems — I didn't ask them why they wanted my help," he said. "They knew I was familiar with such things. I gave my advice to them voluntarily. I did not betray any secrets."

German officials who have investigated Mr. Stemmler and Mr. Busse for two years are said not to believe that. The German news magazine Der Spiegel and Nuclear Fuel, a McGraw-Hill newsletter, reported the two men are suspected of providing Iraq with centrifuge design and know-how.

In an interview to be published Monday, Nuclear Fuel quotes Mr. Stemmler as saying Iraq had five to 15 excellent centrifuge engineers in 1988, but needed at least five years then to perfect a centrifuge able to make weapons-grade uranium.

At least 1,000 centrifuges would have to be built and linked by corrosion-resistant pipes before production could begin.

"Then they would have to have all manner of process engineers, physicists, chemists and technicians, all with highly specialized skills and knowledge," Mr. Stemmler said. "I have not seen anything like that in Iraq."

But Iraq has shown an ability to overcome repeated setbacks to its nuclear program. Its initial effort, a venture with French assistance in the 1970s and early 1980s to build and operate the Osirak nuclear reactor near Baghdad, seemed fated for failure from the start.

In 1979, saboteurs destroyed two reactor cores in a French warehouse shortly before they were to be shipped to Baghdad. In June 1980, the Egyptian physicist who headed Iraq's atomic energy program, Yahia Mashad, visited Paris to discuss the reactor.

His body was found later in his hotel room. He had been beaten to death.

His killer has never been found. But in the days following the killing, a hitherto unknown group, the Committee for the Safeguard of the Islamic Revolution, threatened French officials with harm if France gave Iraq further nuclear assistance.

On June 7, 1981, Israeli planes bombed the Osirak reactor, eliminating Iraq's ability to make plutonium, the ingredient of choice for nuclear weapons. France was unwilling to rebuild the plant.

Mr. Hussein turned to Brazil, which was mounting a secret effort run by the military to build and test atom bombs.

In 1979, the two nations signed an accord to share technology and equipment for uranium exploration and nuclear research for peaceful purposes.

Months later, Iraqi Airways jets were shuttling to São José dos Campos, Brazil's high-technology center near São Paulo, to pick up portions of a 100-ton shipment of refined uranium ore, called yellowcake.

Brazilian newspapers reported last month the yellowcake shipments were directed by a Brazilian Air Force colonel, Hugo de Oliveira Piva.

Now a civilian, Mr. Piva turned up in Iraq in August, heading a private team of technicians designing an Iraqi air-to-air missile.

Interviewed by The New York Times in November, Mr. Piva denied any links to Iraq's atomic program, saying such expertise is "completely out of my area." Brazil also officially denies significantly aiding Iraq's bomb program.

Iraqi officials in Europe have established front companies to disguise their procurement efforts. Some of these companies have then purchased stakes in other European high-technology concerns with both nuclear and conventional-weapons abilities.

In all, German officials said, about 25 companies are under active investigation for participation in the Iraqi network. According to Der Spiegel, the United States recently presented Bonn with a list of 50 companies it suspects of involvement in the ring.

A prime example, a London-based company called TDG, was run by aides to Iraq's military ministry and is reported to have bought parts for nuclear-weapons triggers.

But TDG also bought companies. It owned a stake in a Swiss firm, Schmiedemeccania SA, accused this summer of seeking to export centrifuge parts to Iraq.

Allegations of American corporate involvement in the Iraqi program are rife, but to date, evidence is scant.

Gulf Notes

■ **Turkey** is sending 12,500 more troops to its border with Iraq, the Istanbul daily Cumhuriyet reported. It quoted military sources as saying that 8,000 Turkish paratroopers had been sent to the border area since mid-December and 4,500 infantrymen would be transferred there from Thrace. The deployments will bring the number of Turkish forces along the border to about 112,000. *(AP)*

■ **King Fahd** of Saudi Arabia and his allies on the six-nation Gulf Cooperation Council reiterated Sunday their resolve not to negotiate with President Saddam Hussein of Iraq until his forces withdraw from Kuwait At a council summit meeting in Doha, Qatar, Foreign Minister Mubarak al Khater of Qatar said the leaders were "set against rewarding the aggressor with any concessions." *(AP)*

■ **The U.S. Defense Mapping** Agency has shipped 35 million maps to U.S. troops stationed in the Gulf. The military needs maps of varying detail and intricacy, with many to be used once and discarded, the agency says. Cartographers at agency production centers have been working 10- to 12-hour shifts, seven days a week. *(AP)*

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(Continued From Back Page)

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Published With The New York Times and The Washington Post

Difficult Times for Israel

A third resolution criticizing Israel for events in and after the Jerusalem Temple Mount incident of Oct. 8 has come out of the United Nations. It represents the vector of political forces in the Middle East: Arab insistence on punishing Israel and protecting the Palestinians, Israeli defiance of UN intervention, American determination to walk a line between solidarity with Arabs and fidelity to Israel. In terms of the special political requirement of the day, it is for the United States a success, since it preserves Arab support in the coalition against Iraq.

The Israelis are dismayed, and one can see why. Though it was watered down by American diplomacy, the surviving language criticizes Israeli occupation policy as though there had been no violent Palestinian provocation. It designates as "Palestinian" and "occupied" not just the West Bank but also Jerusalem, which almost all Israelis regard as sovereign, indivisible and inalienable. It expands the UN's claim, resisted by Israel, to monitor the West Bank. Saying nothing of negotiations, it makes a conditional call — but a call nonetheless — for an international peace conference, which Israelis regard as a forum for gang assault.

But of course each new UN resolution cannot pretend to reflect the whole history of the Arab-Israeli problem. A resolution is more a snapshot of the moment, and this one shows that the Israeli position is getting lonelier. The reasons for international impatience at the slow pace of Middle East peace are evident. Everyone can see that just as the Palestinians were working themselves up before the Iraq crisis into a readiness to consider negotiations, the Israelis began to back off; when the crisis came, the Palestinians backed off.

It is not farfetched that Israel be asked to comply with this resolution. Israel is not being made to seem the equivalent of aggressive Iraq. The principle of the inadmissibility of the acquisition of territory by war applies to Iraq's acquisition of Kuwait, which came about by Iraqi aggression and must be ended by Iraqi withdrawal. Israel's acquisitions of 1967 came about in response to Arab aggression and must be ended by negotiations in which the Palestinians and Arab states sit down with Israel and make peace.

This is a tense moment for Israel. As well as being under political assault at the UN, it is under grave military threat from Iraq. The Palestinians whom it is expected to accommodate are in a phase of heedless infatuation with Saddam Hussein.

No friend of Israel can expect Israeli concessions while the crisis goes on. But Israel should not hunker down against any criticism of the way it runs the occupation. This is not a time for grand Israeli-Arab initiatives, but it is certainly a time for care by Israel in the treatment of Palestinians living under its rule.

— THE WASHINGTON POST.

What War Hath Wrought

A year ago, the United States invaded Panama. The immediate justification was General Manuel Antonio Noriega's provocations against U.S. military personnel. President George Bush also said he was acting to defend the Panama Canal treaties, combat drug trafficking and defend democracy.

Panama's drug trafficking is now less brazen and Mr. Noriega sits in a U.S. jail. The treaties are still in force. But Panama remains a shattered country, its war damage unrepaired and its sovereignty not yet reclaimed. It is no longer a lawless dictatorship. But neither has it become the democracy Mr. Bush claimed to defend.

Guillermo Endara was the apparent winner of a May 1989 election abruptly halted by Mr. Noriega. That made Mr. Endara the obvious choice to head a provisional regime, and he was sworn in at a U.S. military base. But by declining to seek a democratic renewal of his mandate, Mr. Endara has left his own legitimacy tainted.

As Panamanian disillusionment over unresolved problems has grown, his popularity has tumbled. Public order remains shaky. Sanctions, invasion damage and looting shrank Panama's economy by 30 percent. Even now, unemployment exceeds 25 percent. A recent coup attempt was suppressed only with U.S. help. American troops still patrol Panama's streets, exceeding their treaty role of protecting the canal.

After the invasion, Mr. Bush pledged a billion-dollar aid package. "You've got to do what's right," he declared. "You have to try to help repair the wounds, repair the damage." Nearly half the package consisted of restored trade privileges and credits, not really new money. Congress cut the other half by 15 percent and red tape has held up all but $120 million. Neither damage nor wounds has been decently repaired.

Mr. Bush's decision to use force in Panama was justifiable because of the apparent danger to American troops lawfully stationed there. The president had properly explored, and exhausted, less drastic policy instruments without result. Sanctions and diplomacy had not resolved official collaboration with drug syndicates. An internationally monitored election and later efforts by the Organization of American States failed to win respect for basic rights.

Justifiable. But has the invasion of Panama been justified by its results to date? This year's disappointments provide an object lesson in the messiness of war as a solution to political problems.

— THE NEW YORK TIMES.

For a Speedy Recovery

Best wishes for a rapid recovery: With that warm and heartfelt sentiment, the Federal Reserve Board has begun to nudge interest rates forcefully downward. Lower interest is the most powerful remedy for recessions that the federal government possesses, and it should begin to push vigorously toward a resumption of growth by summer.

Most forecasts say that the recession of 1991 will be relatively shallow and short, ending around the middle of next year. But there are substantial risks in these forecasts, and most of them involve forces outside the United States and not under American control. The most obvious is the possibility of war in the Gulf and a jump in oil prices. But there are others.

The United States continues to live on imported money — roughly $100 billion a year, most of it coming from Europe and Japan. But the abandonment of communism in Eastern Europe and the unification of Germany have created a huge demand for capital there. In Japan the stock market has dropped sharply over the past year, meaning that the Japanese may not have quite so much money to send abroad. The worldwide competition for loans seems likely to increase severely next year. That would force interest rates up in the United States regardless of the Federal Reserve's intentions.

The stability and reliability of the American banking system is another factor. If foreigners began to worry about the safety of American banks, they would use those banks only if the interest rates were high enough to compensate them for the risk. The Federal Reserve has good control of the short-term rates but much less direct influence on the rates for long-term borrowing and lending. Those depend heavily on investors' assessments of the future — and it is the long-term rates on which economic growth depends.

The United States is counting on a fast and continuing expansion of its exports to pull the economy quickly through this recession. For that reason, the collapse of the Uruguay Round of trade talks — if it finally happens in the next month or two — could interfere with a strong recovery. If world trade falls into a period of quarreling and tit-for-tat retaliation, neither the United States nor any other country is likely to have great success with an export drive. Perhaps none of these hazards will materialize. Let us hope not. But it is probably correct to say that at this point, the dimensions of the recession ahead depend more on events and perceptions abroad than on policy in Washington.

— THE WASHINGTON POST.

Hallelujah! Hallelujah!

A New York woman who loves Christmas found herself in glum spirits last week. Her images of the holiday have more to do with the fictions of Louisa May Alcott and Charles Dickens than with the facts of her life, and she has been finding their words especially apposite these days.

At a time when stores seem more like museums than marketplaces and customers count their pennies, Miss A.'s "Christmas won't be Christmas without any presents" comes readily to mind. So does Mr. D.'s "It was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair."

The city's weather has done little to lighten the spirits. Were it not for concrete sidewalks, New York would look like the London of "Bleak House," where there was "as much mud in the streets as if the waters had but newly retired from the face of the earth, and it would not be wonderful to meet a Megalosaurus, forty feet long or so, waddling like an elephantine lizard."

Then the New Yorker wandered to Rockefeller Center, where the branches of the Christmas tree were swaying in a breeze that would do credit to Bermuda. Behind her a group of schoolchildren led by a man with a pitch pipe started singing.

No one of these children resembled another — their ancestors must have come from every spot on the globe — but all were alike in their determination to say the words clearly and hit the notes cleanly. The Hallelujah Chorus was their finale, and when it was over they grinned, delighted with themselves.

As they made their stiff little bows, the glum woman felt the way Scrooge did when he woke from his nightmare. "No fog, no mist; clear, bright, jovial, stirring, cold; cold, piping hot the blood to dance to; Golden sunlight; Heavenly sky; sweet fresh air; merry bells. Oh, glorious. Glorious!"

— THE NEW YORK TIMES.

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OPINION



Bumps on the Road to Capitalist Plenty

By Adam Smith (George J. W. Goodman)

ANATOLI Kartashov, an official of the Leningrad Stock Exchange, and I are walking around the Naval Museum of Leningrad. There is no Leningrad stock exchange at the moment, but there are plans for one.

For East European countries, stock exchanges are like national airlines for poor African countries: Everybody has to have one; it is a symbol of respectability. But sometimes all the ramifications have not been considered.

There was a stock exchange in Leningrad — St. Petersburg — until the 1917 Revolution, and in the white-columned building you could buy shares of Moscow Power & Light or your favorite railroad. It was the world's fifth largest exchange, but to Lenin it symbolized man's exploitation. So the Communists made it a naval museum.

Now even officials of the New York Stock Exchange have come to coach the locals on cranking it up again.

What stocks will be traded? They will be issued by newly privatized state companies, some of which may sell stock to their workers. As Mr. Kartashov and I discuss the mechanics, it becomes apparent that a piece is missing.

"Checks," I said. Checks? The translator struggles.

Everyone in the Soviet Union is paid in cash. There is not a single check in all the vastness of Russia. If you want to buy 100 Moscow Power & Light shares when they reconvert the Naval Museum, you will have to bring a large envelope full of rubles.

"Checks," said Mr. Kartashov. "We must have checks."

The concept of a market with legally fluctuating prices is hard for people here to grasp. Our Soviet camera crew, our translator and I discuss the interview with Mr. Kartashov. I ask, What would you call someone who bought a share of something one week at 30 and sold it the next at 35? "A swindler," the lighting technician said cheerfully.

The Soviet Union has a huge budget deficit and so is cutting defense spending. The Kirov plant in Leningrad used to make the military's most advanced tank.

"I got a call in January from the ministry of defense," said Pyotr Semenyenko, its chief executive officer. He is as big as a pro linebacker and exudes enormous energy.

"They said, 'Stop making tanks.' I said, 'What should I make?' They said, 'Make something else,' and they gave us loan guarantees. So we're making tractors. We've had visits from Massey-Ferguson, Navistar, Ford, General Motors."

Mr. Semenyenko said Kirov was going to be privatized. Its 50,000 employees may all be issued stock or get a chance to buy some. "Will you have the most stock?" I asked. "I sincerely hope so," he replied. "We must have incentives."

In the 1980s in America came the phenomenon of management buying up a public company — the leveraged buyout, or LBO. The Soviets may skip the intervening stages of capitalism and go right to the management LBO.

The Republic of Georgia has its own traditions and its own language. It also has its own foreign minister, Georgi Zhavakhishvili. Why does Georgia need a foreign minister? America's Georgia does not have a foreign minister.

"We know all about the American Georgia," said Mr. Zhavakhishvili. "We love American Georgia. We have 400 high school students in Atlanta, and all kinds of exchanges. The real Georgia Tech is here is Tbilisi — higher entering scores than the other Georgia Tech. We need a foreign minister so when we're independent we can make our own treaties, like bilateral air routes. Guess who was just here? Delta Airlines."

"Atlanta-Tbilisi?"

"Why not?" he said.

The only official we met who was not so exuberant about Georgian independence was Valerian Advadze, one of its leading economists.

"There is a fervor for independence," he said. "Politically, it will be very popular. But ask the patriots where they'll get the oil. Georgia imports 90 percent of its oil from the other Soviet republics. If we have to pay hard currency world prices for oil, it will take more tomatoes and eggplant than we grow in all of Georgia. Even if we are independent and capitalist, we're going to be tied to Russia for a long time."

The writer is host of "Adam Smith's Money World," seen on PBS and Channel 1 in the Soviet Union. He contributed this comment to The New York Times.

His Brave Warning: It Cannot Be Fixed

By Flora Lewis

PARIS — Eduard Shevardnadze's warning against a coming dictatorship in the Soviet Union had two targets.

One was President Mikhail Gorbachev himself, his continued waffling on economic reform, which has driven away many initial supporters, and his attempts to appease hard-liners. The other was the group of democratizers who have wandered apart or shifted to other issues.

He wanted to stir them to energetic decision, and to remind Mr. Gorbachev that force would mean the end of his vision. "When life commands, when circumstances demand, each person has to find the courage and the strength to decide," the foreign minister's spokesman quoted him as saying.

It is surprising that Mr. Shevardnadze did not tell Mr. Gorbachev beforehand that he would resign. Evidently he wanted to give his gesture maximum dramatic impact, and suspected yet another Gorbachevian attempt to smooth things over and avoid taking sides.

Indeed, though stunned, Mr. Gorbachev maintained his composure and said that facing "the political instability" of society "does not mean talking about dictatorship, but about strong power — and do not let us confuse these things." He seemed to reject his minister's desperate attempt to stop his drift.

The awkward, inappropriate names given to rival forces in the struggle over the fate of the Soviet Union reflect the confusion of issues and lack of clarity at the center. Some say left vs. right, or radicals vs. conservatives — inverted vestiges of the old revolutionary slogans.

Mr. Shevardnadze pointedly called his foes "not conservatives, they are real reactionaries." But beneath all the arguments, there is a single, central issue — democracy vs. command.

Continuing the vocabulary of the Communist establishment that produced him as he seeks to transform his country, Mr. Gorbachev often stresses that his own program is "revolutionary." That is part of the trouble. It implies a forced march imposed on society by those who think they know best, not a welling of popular wish.

I suspect that deep down, Mr. Gorbachev has not really decided what he wants to do about his country's system. The West has had a tendency not to take him at his word, but that is a mistake.

Many were slow to believe he really did want reform, and did not foresee that trying to fix things, at first by tinkering and then with more drastic measures, would push him very far.

But he has always said he wants to preserve socialism, "the socialist option," and he should be taken at his word on that. He still seems to think he can find a way to make it work.

This is not just a matter of political tactics; it is a powerful intellectual issue wherever emergence from communism is under way. It is visible in Eastern Europe too, where deposed Communists mull over what happened to them. Some rue one policy or another as a "mistake."

One former East German Politburo member told me: "We failed on the economy. If we could have made that work we would have succeeded." But another, after a year's hard thought, said: "It was a bad idea to think you could make society fit a theory. Life isn't that way."

To Shevardnadze, all the tinkering with socialism is leading the country to a dangerous choice.

In most of Eastern Europe, however, the Communists are out and those who knew they were wrong all along are left to sort out the mess they made. In the Soviet Union, only some have come to the second conclusion, and are prepared to draw the consequences. That means relying on democracy.

Mr. Gorbachev's gradualism has led to a polarization, no longer between things as they were and as they ought to be, but (the most destructive choice societies ever face) between order by force and anarchy. The warning against dictatorship is meant to avert that fateful choice, to seek solutions through more democracy, not less.

It should be obvious to all that the army, the KGB, the old-line apparatchiks fighting for their power cannot cure what ails the Soviet Union.

Mr. Gorbachev knows that, but he is still reluctant to confront them and abandon the system. Just a week ago he conceded that the military industry could go on next year as before, and it has not really changed.

A devastating World Bank report makes clear that the Soviets still have not begun serious economic reform. Mr. Shevardnadze's brave retreat was a shriek that "there's no more time, no more conviction to lose." Moscow should be told the West takes it seriously.

The New York Times.

That Star They See Could Just Be an Iraqi Missile

By Larry Collins

NEW YORK — The Japanese attack on Pearl Harbor, as those of us old enough to remember it recall, occurred at 7 A.M. on a Sunday morning when a good number of the base's would-be defenders were sleeping off hangovers acquired in a traditional Saturday night romp through the bars, nightclubs and bordellos of Honolulu. The enthusiasm with which the tradition was honored that night was in no way diminished by the intelligence that the Japanese Imperial Fleet was on the high seas.

In 1967, Israel launched a stunningly successful war with a surprise attack on Egypt's airfields, an attack that was set for the precise hour at which Israeli intelligence had determined Egypt's pilots returned from their predawn sorties to refuel and breakfast.

Egypt and Syria returned the compliment in October 1973 with a surprise attack on the Golan Heights and Suez Canal, undermanned because the Israeli Defense Force's commanders had sent the boys back to Tel Aviv and Jerusalem to celebrate Yom Kippur with their families. The Viet Cong probably won the Vietnam War by catching the U.S. and Vietnamese commands by surprise with the Tet offensive. Just eight years ago, a Shiite terrorist drove his explosives-laden truck up to the entrance of the marine corps headquarters in Beirut early on a Sunday, finding sentries off guard and the building full of sleeping marines.

Yet, the media and public opinion seem to assume as we approach a showdown in the Gulf that if war comes, it will come at a time and circumstance of our choosing. Why should that be the case?

President George Bush has, for all intents and purposes, confronted Saddam Hussein with an ultimatum — get out of Kuwait unconditionally or face a war against technologically superior forces. Either alternative must be unpalatable to the Iraqi dictator. Evacuate Kuwait at Mr. Bush's behest and he will be casting aside Saladin's mantle and the popular support he has sought to curry among the Arab masses. Furthermore, when dictators step backward, they most often tumble into a dark hole. And even to the irrational, preordained defeat is not an appealing prospect.

There is, of course, a third option that many are praying he will adopt — withdraw to the edge of the Rumaila oil field and the two islands that guarantee him access to the Gulf and say, "This far but no further."

If he does not do that, however, why shouldn't Saddam Hussein initiate the conflict himself with an all-out assault on the forces arrayed against him in the Saudi desert, employing the full strength of his chemical and bacteriological weapons?

He could do that any time between now and Jan. 15. But how about Christmas Eve, Christmas Day or New Year's Eve? It would not require much genius on Saddam's part to imagine the pressures the Desert Shield command will be under from the television networks for good photo opportunities on those occasions — show the folks back home that our boys and girls out in the Saudi desert are getting a taste of a good, old-fashioned Christmas despite the tensions under which they labor. Here's Bob Hope and a couple of girls, well-clad in deference to the Saudis, entertaining the cheering GIs of the 82d Airborne. Here's a group of the First Marines, a tough sergeant — ho, ho, ho — playing Santa Claus, passing out the Christmas presents the good folks back in the States have sent.

Lovely stuff; the home front will eat it up. And what an occasion for Saddam to catch us by surprise.

Admittedly, he would be running terrible risks in doing so. In 1941, the American public was as divided between interventionists and isolationists as the public is divided today between Gulf hawks and doves. Pearl Harbor united the nation as nothing else could have.

Nonetheless, if Saddam sees the options before him as war or withdrawal, he might find compelling reasons for such an attack. A successful surprise attack can often redress an unfavorable balance of forces. Saddam could hope to inflict sufficient damage on the superior forces lined up against him in the desert to ensure that the ensuing conflict would be long, brutal and bloody.

Would American public opinion hold up under the strains of such a conflict? How about the European allies — would their limited enthusiasm for war in the Gulf survive? And how about the Arab masses? A successful surprise assault would make Saddam a hero yet again, eroding popular support for war in Egypt, Syria and perhaps even Saudi Arabia.

Certainly, such an action would clearly brand Saddam Hussein as the aggressor. That concern, however, did not deter him from attacking Iran without warning, or invading Kuwait 48 hours after assuring his Arab brothers that he wanted a negotiated solution to his problems with Kuwait's rulers. We have deliberately and carefully painted the Iraqi dictator into a corner. Men like him are at their most dangerous in such circumstances.

Saddam might well be mad to attack first. Nonetheless, it would be an unpardonable crime on the part of our commanders in the Gulf if we were to be victims of a surprise Iraqi attack. The only photo opportunities our commanders should be offering the Today Show and Good Morning America should be those of American troops well dug in, alert against a surprise attack.

The writer, a former foreign correspondent, is the author of "The Fifth Horseman" and other books. He contributed this comment to the International Herald Tribune.

America's Bigger Load Frees Its Hands

By Stephen S. Rosenfeld

WASHINGTON — As war in the Gulf gets closer, the international aspect of the resistance to Saddam Hussein fades in size and importance. Increasingly the conflict takes on the cast of an old-fashioned one-on-one American-Iraqi, George Bush vs. Saddam Hussein confrontation.

The embargo and isolation imposed on Iraq by the allies and the resolutions passed at the United Nations are real, useful and comforting to a point. But with a rising possibility of war, they turn out not to have moved the crisis very far out of the older context of independent or unilateral American policy-making. A genuinely new "post-Cold War" internationalist framework waits to be born.

The United States evidently will bear nearly the full military brunt of any open hostilities, plus the lion's share of the economic costs. Some Americans grumble about this. But overall, short of a long-shot assertion of independence by the Congress, the American political system appears ready to sustain the imbalance.

For its readiness to carry the load, of course, the United States gets to run the diplomatic strategy and call the military shots. This is only fair. The allies stand to share considerably in the hoped-for benefits (a subdued Saddam, a stabler Gulf) of an American success, and to escape not only the direct costs but the worst collateral effects (general Arab backlash) of either success or failure. But their limited participation reduces their claim to tell the United States how it should address the disproportionate risks that it has elected to assume. It puts on the allies a further obligation, which they are largely accepting, to speak in support of American strategy.

A paler, less compelling version of a new world order is emerging.

interests are those that cannot be left to the discretion of others and which justify Washington in deciding how to assert them in its own way.

Not so long ago the Bush administration undermined the purpose of creating a new "world order" by bringing the collective pressure of many nations to bear against Iraqi aggression. Liberals who might otherwise have kept their distance were drawn into support of the president, for a while, by the hope of using the crisis to set a precedent and build a structure of collective security. That is still regularly cited as a goal of American policy and as the best possible culmination of events that are in train. Still, the paler copy of "world order" that is emerging neither compels the alliance to share fairly in paying the freight nor invites the alliance to share equally in deciding policy.

Last fall it briefly seemed otherwise. The Soviet Union suggested, as a condition for endorsing a military option, that an international force be created under international command, a real "blue helmet" operation. But Washington understandably balked at a crisis-time experiment in putting American troops into battle under untested UN authority. Moscow was not prepared to commit its own troops, which meant it had no leverage to bargain for its scheme. In the end, the UN, under heavy American persuasion, simply voted to authorize each member nation to use force as it saw fit.

The United States has striven for and won substantial international support for its policy — enough to use with some effectiveness in the rising political debate on the home front. But it has not won from allies either the extended military and financial support that would help it allay the corrosive American resentment of foreign "free-riders," or the kind of deeper political support that would let it enlist the idealism of the blue-helmet internationalists. This leaves it politically vulnerable.

But only somewhat vulnerable. On the foreign level, Mr. Bush already has a free hand to turn to force after Jan. 15 if Saddam Hussein continues to flout UN decrees. At home, restiveness has yet to rise to the level of a check on a possible presidential decision to go to war. As the president heads into the Iraq countdown, he has achieved in fact a very broad measure of freedom of action for his chosen Gulf policy. By the international community and by Congress, he has in effect been handed the capacity to make it primarily an American show.

The Washington Post.

Prison Rules

Jean-Bertrand Aristide is the newly elected president of Haiti. The following, translated from the French by Amy Wilentz, is from his 1989 book "In the Parish of the Poor."

HAITI is a prison. In that prison, there are rules you must abide by, or suffer the pain of death. One rule is: Never ask for more than what the prison warden considers your share. Never ask for more than a cupful of rice and a drink of dirty water each day, or each week. Another rule is: Remain in your cell. Though it is crowded and stinking and full of human refuse, remain and do not complain.

Another rule is: Do not organize. Do not speak to fellow prisoners about your plight. Every time you get two cups of rice, another prisoner will go hungry. Hate your fellow man.

Another rule is: Accept your punishment silently. You are guilty. The warden decreed it. Live in silence until you die. Never try to escape, for escape means a certain return to this prison, and worse cruelty, worse torture. If you dare escape in your little boat, corrections officers from the cold country to the north will capture you and send you back to eke out your days within your eternal prison, which is Haiti.

Fort Dimanche is Haiti. Fort Dimanche is Latin America. Fort Dimanche spits out bullets and tear gas and death. It vomits on us a system of cruelty, repression, exploitation, misery, and death. If we live by its rules, we will certainly perish beneath its whip.

I say: Disobey the rules. Ask for more. Leave your wretchedness behind. Organize with your brothers and sisters. Keep hope alive. Escape the charnel house, and move toward life.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: Flattery Pays Off

NEW YORK — A Baltimore confidence man has found a gold mine in the United States Senate, playing the greatest joke of the season on the members of that grave body. He wrote a flattering note to the wealthiest Senators, saying to each that he had named his newly-born baby after him, and suggesting that a token would be most highly valued by the infant when it was old enough to understand the honor of the name he bore. Each of the senators sent something, most of them a five or a ten dollar bill. The story came out in Washington where it is regarded as the biggest joke ever put on the United States Senate.

1915: In Deep Water

NEW YORK — A Teutonic plot to destroy the great American and Canadian power houses at Niagara Falls has been foiled. The conspirators completed their plans and purchased their explosives in Pittsburgh, being followed by detectives. At Erie they received a coded telegram, apparently of warning, and left the train, walking toward the lake. Just as the detectives were about to arrest them they destroyed all evidence by throwing the explosives into deep water. Their arrest is imminent.

1940: A Battered City

LONDON — Authorities reported early today [Dec. 24] that air raiders during the night had battered "with considerable severity" an inland town in north-west England, where the industrial city of Manchester was subjected to a concentrated attack. A number of persons were trapped in cellars of the town and houses and offices were damaged. The attack was focused on the center of the city, but it escaped the fate of Coventry, only because the blow was absorbed by a much larger area.

— From the New York edition of the New York Herald Tribune.

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FOR STORING VIDEO IMAGES

Herald Tribune
BUSINESS/FINANCE
MONDAY-TUESDAY, DECEMBER 24-25, 1990

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TOSHIBA

ECONOMIC SCENE

Third World Debt Boom Opens New Opportunities

By Jonathan Fuerbringer
New York Times Service

NEW YORK — Behind the Third World debt crisis, a market is bubbling. The trading of the debt — the swapping of often steeply discounted loans for cash, other loans or equities — has grown in less than a decade into a $70 billion-a-year global market.

While that is not big by the standards of foreign exchange, bond or stock trading, it is not bad for a lot of paper that until this year was declining in value.

But this year, trading prices for the loans of most of the biggest debtors have been rising with a vengeance. The debt market has even been strong enough to rebound from the impact of the Gulf crisis, a feat unmatched by the world's bond and stock markets.

'You could not have lost money' trading Third World debt in 1990.

Mexican debt is now trading at 46.625 cents on the dollar, up 30 percent for the year, and Argentina's debt, long one of the poorest performers, is up 70 percent, to 20 cents on the dollar. Of the major debtors, only Brazil has seen a decline.

"If you threw darts at the beginning of the year, you could not have lost money," said Giacomo de Filippis, one of the originators of debt trading while working in Argentina for Banco Rio de la Plata and now head of his own firm in New York, Giadefi Inc.

Giving the market its lift are a number of economic restructurings that seem to angur a turning point for much of Latin America, which accounts for about 29 percent of the $1.3 trillion in Third World debt.

The market also has gotten a boost from the debt-relief program initiated by Treasury Secretary Nicholas F. Brady. Under the Brady plan, several countries have had their debt burden reduced and have converted old loans into new bonds that are more attractive to investors because they are backed by international guarantees.

As a sign of the growing acceptance of the debt-trading market, Mexico's so-called Brady bonds last week got their first rating from Moody's Investors Service Inc.

BESIDES CAUSING DEBT PRICES to rise, the economic restructurings are altering the market's character and scope, offering new opportunities not only for some of the debtor countries but also for the big Western lenders who wrote off billions of dollars of loans in the last few years when it became clear they would never be repaid.

Until recently, the debt has largely been the medium for a traditional trading market, a place in which Citibank, Manufacturers Hanover Trust Co., J.P. Morgan & Co., Bankers Trust Co., Chase Manhattan Corp., Bank of America and hundreds of other banks could try to improve the value of their bulging debt portfolios or just shed them.

These trading operations, along with those at some investment banks, also have been used to speculate on the movement in debt prices, producing enough income so that some institutions, like Morgan Guaranty Trust Co., have highlighted the profits in their earnings reports.

Now, because of the economic turnabouts that have begun in Chile, Mexico and Venezuela, commercial and investment bankers are opening up a traditional corporate finance business in a debtor's setting, a move that could well spread to Eastern Europe.

Two venerable investment banks, Morgan Stanley Group and Goldman, Sachs & Co., have been lured into the business this year.

In some cases, the bankers are packaging the debt held by a number of lenders — including themselves, at times — and swapping it for shares in state-owned companies that are being sold to the public, like Entel, the telephone company in Argentina. As part of the deal, the new owners often infuse the privatized company with cash to modernize or expand.

In other cases, the bankers capitalize on their ties to the Third World to be hired as traditional advisers in raising new capital. MG-First Boston Asset Trading acted in this capacity when Mexico's state-owned development bank went to the Eurobond market this year to raise $100 million.

While privatizations have buoyed the debt market in the past, they have never been conducted on such a scale or with such commercial appeal. In the last two years, privatizations and traditional corporate finance deals have brought $18.4 billion to the five major debtors in Latin America, according to Salomon Brothers's John F.H. Purcell.

"This is the transition year," said Peter R. Geraghty, senior vice president at NMB Bank in New York, a Dutch bank that is one of the major day-to-day debt traders. "The market evolves.

See DEBT, Page 9

U.S. and Britain Seek Deal on Access to London Airport

By Steven Prokesch
New York Times Service

LONDON — The United States and Britain remain far apart following their latest round of talks about allowing the transfer of rights to use Heathrow Airport in London, an American official said. American Airlines has agreed to buy TWA's routes, while United has agreed to buy Pan Am's.

The main issue does not appear to be whether Britain will allow the rights to be transferred but what it is demanding in return.

In an interview, Charles Angevine, U.S. deputy assistant secretary of state for transportation affairs, said, "There is a significant gap between the two sides."

The two-day session last week was the third round of talks on the civil aviation treaty between the countries.

Pan Am's board told TWA on Friday that a merger was possible if TWA gave Pan Am a loan to keep it afloat. But Mr. Angevine said he was under the impression that if TWA does acquire Pan Am, it would not affect their plans to sell their London routes.

In a statement, the British government said: "The two sides had a useful exploratory meeting. Differences of position were identified and explored."

Mr. Angevine said Britain was insisting that the United States make especially big concessions because United and American would be much stronger competitors against British carriers than Pan American World Airways and Trans World Airlines.

In addition to being financially stronger, United and American have extensive route systems in the United States that could feed them passengers for London.

The two main British carriers flying to the United States are British Airways, which has 39 percent of the market, and Virgin Atlantic, with 7 percent. Pan Am is No. 2 with 15 percent and TWA is No. 3 with 14 percent.

Mr. Angevine said that no more talks were scheduled, although he added that this did not mean that negotiations had been indefinitely suspended.

Paul McKie, a spokesman for the British Department of Transport, said Britain had offered to hold another session in early January and was awaiting a response from the United States.

Pan Am has agreed to sell five routes between the United States and London to United, and TWA has agreed to sell seven to American. Pan Am now flies all five to Heathrow.

TWA operates five of the routes out of Heathrow and two out of Gatwick, London's No. 2 airport.

But Heathrow rights do not go with the sales. The treaty specifically gives those rights to Pan Am and TWA.

Under a British law, newcomers have to go to Gatwick or Stansted, a new London airport. There is a long waiting list for Heathrow.

The law is under review but no decision is likely before mid-January. The British have said no final agreement on treaty changes could be made before then.

The U.S. administration has been especially eager to reach an accord quickly because of Pan Am's fragile state. It has been worried that should Pan Am cut back or eliminate its Heathrow flights, the United States would lose those rights to fly in and out of the London airport most preferred by international passengers.

Mr. Angevine said the British demands were excessive.

He said the British want additional rights for their carriers to fly to a point in the United States and then continue to other countries.

They also want airlines to be able to serve all American cities from Heathrow; American and British carriers can now serve about a dozen, Mr. Angevine said.

He said Britain was also demanding unlimited sharing of codes for domestic flights of U.S. carriers and international flights of British carriers.

That would help British carriers attract more passengers from smaller cities who fly a domestic carrier to a major airport to pick up the international flight.

British Airways, for example, has struck agreements with Delta Air Lines and United to coordinate flight schedules at various major airports in the hope they would feed it more Europe-bound passengers.

But in many instances, the coordinated flights do not appear together in computerized reservation systems widely used by travel agents because of U.S. restrictions.

"We didn't think anything approaching unlimited code-sharing rights was justifiable," Mr. Angevine said.

Airbus Says It May Build A Bigger Jet Than 747

The Associated Press

PARIS — Airbus Industrie has said it is considering developing a commercial jet larger than Boeing's 747.

The Airbus plane, tentatively dubbed the A-350, would be able to carry up to 700 passengers with a range of at least 7,000 miles (11,200 kilometers). The four-engine jet, which could cost $4 billion to develop, could enter service by the year 2002, Airbus said Friday.

The Boeing 747, the world's largest passenger plane, was first put into service 20 years ago. Since launching the 747 program in 1966, Boeing has announced orders for 1,123 of all models of the jumbo jet.

Its latest version, the 747-400, technically can hold up to 600 passengers, but it achieves an 8,400-mile range with 412 passengers in three classes.

McDonnell Douglas Corp. also produces a long-range, high-capacity jet, the MD-11. The new jet, which the company just recently began delivering, can carry up to 405 passengers 5,700 miles.

Airbus' largest model under development, the A340-300, can carry 295 passengers in three classes up to 7,600 miles. Its first flight is scheduled for next year.

Boeing executives have discussed the possibility of building a larger 747 sometime around the turn of the century, but the company is not actively developing such a jet, said Tom Cole, a spokesman for Boeing Commercial Airplane Group.

■ Air Traffic Up 5%

Some 1.16 billion people travelled by air on scheduled domestic and international flights worldwide in 1990, about 5 percent higher than last year, according to the International Civil Aviation Organization, Reuters reported from Montreal.

The preliminary estimates released Friday indicated that traffic growth would be sustained through the end of the year. The number of air passengers have grown steadily from 752 million in 1981.

The aviation organization oversees the safety and efficiency of air traffic worldwide.

Japan Concedes Long Boom Is Over

By Paul Blustein
Washington Post Service

TOKYO — Now it is official: The time has come to say *sayonara* to Japan's supercharged economic growth of the late 1980s.

In its annual forecast, the government's Economic Planning Agency Friday projected that Japan's economic growth rate will slow to 3.8 percent in the fiscal year starting April 1, after four straight years in which growth has been above or close to 5 percent.

Many forecasters are more pessimistic. A number of private economists believe that the Japanese economy, which is currently growing at about a 5.5 percent pace, will decelerate to a growth rate of about 3 percent in fiscal 1991.

But whatever the precise amounts, Japan's economy is clearly on the verge of weakening as high interest rates, a bank-lending squeeze and this year's stock-market plunge take their toll. Friday's government projection puts officialdom's stamp on that widespread expectation.

Until now, Japan's recent economic performance has been spectacular. Corporations have increased their spending for plant and equipment at double-digit rates for three straight years. Jobs are so plentiful that during the current Christmas season, department stores have experienced difficulty hiring enough part-time workers to wrap and deliver presents.

But during the past year, Japan's financial environment has undergone a fundamental change. The easy-money days of the late 1980s are gone.

Since mid-1989, interest rates have risen by between two and four percentage points. The stock market has fallen by about 40 percent this year. Japan's mighty banks, shaken by stock-market losses and worried about softening real estate prices, have ceased shoveling out loans as they once did and are scrutinizing prospective borrowers much more closely.

External factors are expected to slow growth in most Asian states. Page 11.

The result: Signs of an imminent slowdown are emerging. Companies are trimming their sails — a recent survey by the Ministry of International Trade and Industry showed that businesses are planning to increase capital spending by just 2.5 percent next year. Corporate profits edged lower in the six months ended Sept. 30, the first time that has happened since 1986.

Bankruptcies started rising this autumn after declining for years. On Nov. 27, Japan's third-largest bankruptcy in history occurred when Kyowa Co., which had borrowed about $1.5 billion to speculate in property, filed for court protection from its creditors.

For Japan, the slowdown may prove beneficial. Indeed, many policy-makers and private economists contend that the economy ought to be purged of the excesses of the 1980s, when stocks and land prices soared. The Bank of Japan has deliberately sought to cool the economy to below a 4 percent growth rate by driving up interest rates, to prevent a rekindling of inflation.

The impact on the United States and the rest of the world is unlikely to be nearly so favorable.

The United States in particular has depended on a steady stream of Japanese capital to help sustain growth. Now, not only are Japanese banks much less willing to expand in the American market, but other sources of Japanese capital, such as life insurance companies, are pulling back from overseas investments, bringing their money back to Japan to earn high interest rates. Recently released government figures show that Japanese investors were net sellers of foreign bonds to the tune of $1.9 billion in October.

The changes underway in the Japanese economy mean that "it is just going to be a lot harder for the U.S. to raise money from Japan," said Robert Feldman, an economist at Salomon Brothers's Tokyo office. That, in turn, means that any U.S. recession will be "all the longer," Mr. Feldman said.

The outcome for both Japan and other countries could, of course, be significantly worse. Some analysts fear that the Japanese economy could be destined for a crash rather than a mere slowdown.

The danger most often cited is the possibility that land prices could plunge as steeply as stock prices did, and that this would cause serious problems — perhaps even failures — at major banks that have lent heavily, using real estate as collateral.

Top Japanese officials dismiss such scenarios as remote, saying the more likely outcome is a gradual decline in real estate prices of perhaps 20 percent.

Soviets Ask Bonn For Loan

Trade Need Put At $1.3 Billion

The Associated Press

BERLIN — The Soviet Union is seeking 2 billion Deutsche marks ($1.32 billion) in credits to cover overdue payments to German businesses, a German newspaper reported Sunday.

The financial daily Handelsblatt said it learned of the Soviet credit demand from the East Europe Committee of the German Economy, a business group dealing with German trade to the Soviet Union and other east European countries.

The trade group expects that the federal government to guarantee a new loan, even though the overdue payments were not previously guaranteed, because the Soviet buyers had good credit records.

The request for fresh credits is further evidence of the decline of the Soviet economy. The problem cropped up earlier this year as Western businesses encountered unexpected difficulty in collecting bills from Soviet buyers.

German banks extended 5 billion DM in credit to the Soviets last summer with a guarantee from the Bonn government, and the Soviets used the credits to pay overdue accounts. Since then, Soviet overdue bills have mounted to a total of 1.5 billion DM.

■ German Shops Boom

Consumers from former East Germany have flocked to stores in western Germany for Christmas shopping this year, boosting western Germany's retail sales by nearly a fifth, Reuters reported from Bonn.

A survey by the retailers' association HDE showed at the weekend that sales before Christmas were worth about 25.5 billion DM this year, compared with 21.5 billion in the same period of 1989.

The boom was largely due to demand from 16 million former East Germans, whose economy merged with West Germany's in July.

Analysts Expect Dollar to Rise Anew Next Year

Reuters

NEW YORK — The dollar hit record lows against some currencies in 1990, but U.S. experts say it should soon bottom out and start recovering next year.

The American currency, traditionally a safe haven, dipped this year as investors lost some of their faith in the U.S. economy.

But analysts and dealers say the U.S. unit is probably near its bottom. While a major rebound does not seem to be in the cards, the experts say the dollar should begin rising next year, when the United States is expected to regain some of its economic luster.

The weaker dollar is making travel abroad and imported goods more expensive for Americans. But it also promotes exports by making U.S. goods cheaper abroad.

Exports in October climbed to a record, although the U.S. trade deficit hit a 2½-year high in the same month.

Economists said the value of oil imports should recede now that oil prices have come down from their peaks since the start of the Gulf crisis. And the weak economy and dollar should help trim the U.S. appetite for imports.

Analysts expect the dollar, which slumped to a record low of 1.4630 Deutsche marks in mid-December, to decline further early next year as the economy continues to falter and interest rates fall.

But then the U.S. currency is expected to rebound as the economy, which is widely believed to be in a recession, begins to recover, analysts said.

"The U.S. economy is really ahead of most economies going into a recession," said Leslie Nanberg, in charge of international fixed income at Massachusetts Financial Services.

The dollar has tumbled about 15 percent since the start of the year against both the mark and the Japanese yen, closing Friday at 1.5293 DM and 135.45 yen. It also has fallen to record lows against the Swiss franc, closing at 1.31 francs Friday.

Traders and analysts expect that in 1991 the dollar will touch new lows around 1.40 DM and then begin to rise gradually. Some say that by the end of the year, the dollar could rebound to about 1.60 DM to 1.70 DM.

The new year could bring dimmer prospects for other currencies. Those in Europe, particularly Germany, could lose some of their attraction as the economic and social costs of integrating Eastern and Western Europe start to overshadow potential gains.

Fears about political instability in the Soviet Union undermined the mark on Thursday following the resignation of Foreign Minister Eduard A. Shevardnadze.

"The word last year for what was happening in Europe was 'euphoria.' Now the word is 'dread,'" said Françoise Soares-Kemp, corporate trader at Crédit Suisse. "This has got to give some money managers and portfolio managers pause."

CURRENCY RATES

Dec. 21

Cross Rates

	$	£	DM	FF	Lire	DFl	BF	SF	Yen	C$	Peseta
Amsterdam	1.7005	3.25	1.1285	0.3287	0.1498 *	——	5.46 *	1.2149	1.2628 *	1.471	1.761 *
Brussels	31.305	59.88	20.675	6.0503	2.7577 *	18.374	——	24.8895	0.2313	27.08	32.345 *
Frankfurt	1.5129	2.895	——	0.2943	0.1334 *	0.8882	4.838 *	1.1047	1.1175 *	1.3085	1.564 *
London (a)	1.8535	——	0.5789	0.7825	0.3457	2.3013	12.5473	2.8633	2.8973	3.3933	4.0559
Madrid	99.534	183.95	63.963	18.833	8.49 *	56.747	309.65	74.65	71.88 *	83.48	——
Milan	1,148.00	2,178.50	754.67	223.98	——	648.91	3,648	861.78	8.642	985.48	11.797
New York (b)	——	1.886 a	0.5789	0.1707	0.0785 *	0.514	2.8107	0.6647	0.6697 *	0.7645	0.9145
Paris	5.542	9.795	3.397	——	0.4393 *	2.9777	16.4	4.01	3.6112 *	4.1225	4.9325
Tokyo	135.82	258.09	89.73	26.43	12.192	79.35	434	104.66	——	117.14	1.4012 *
Toronto	1.1595	2.1993	0.7597	0.2254	1.007 *	0.6726	3.672 *	0.8857	0.8537 *	——	1.218 *
Zurich	1.372	2.603	0.8975	0.2521	0.114 *	0.76	4.1424 *	——	0.8447 *	1.1377	1.3412 *
1 ECU	1.3468	0.769	2.8427	0.8434	1.548.26	2.3301	12.3151	1.7532	102.557	1.5688	138.439
1 SDR	1.4154	0.7449	2.1438	7.3062	1,615.74	2.4154	44.2888	1.8393	191.927	1.6544	134.761

Closings in London and Zurich. Rulings in other centers. New York closing rates. Toronto rates of 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	487.0	Greek drac.	158.45	Mex. peso	2940.00	S. Afr. rand	2.5585
Austral. $	1.2937	Hong Kong $	7.7795	N. Zealand $	1.6943	Soviet ruble*	0.554
Austr. schil.	10.61	Indian rupee	18.181	Norw. krone	5.924	Swed. krona	5.68
Brazil cruz.	152.58	Indo. rupiah	1889.00	Phil. peso	27.20	Taiwan $	26.63
Chinese yuan*	4.72	Irish £	0.5727	Port. escudo	134.40	Thai baht	25.16
Danish krone	5.833	Israeli shek.	1.9774	Saudi riyal	3.7503	Turkish lira	2839.00
Egypt. pound	2.8726	Kuwaiti dinar	n.a.	Sing. $	1.7225	UAE dirham	3.6727
Fin. markka	3.977	Malay. ring.	2.7085	S. Kor. won	716.30	Venez. bolív.	50.35

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.8844	1.8748	1.8673	Canadian dollar	1.1677	1.1657	1.1649
Deutsche mark	1.5169	1.5147	1.5122	Japanese yen	135.19	135.22	135.22
Swiss franc	1.3030	1.3016	1.3003				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gasbank (ruble). Other data from Reuters and A.P.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

	Dec. 21	Dec. 14	Chge
United States			
DJ Indus.	2,633.66	2,593.81	+1.54 %
DJ Util.	211.39	208.56	+1.36 %
DJ Trans.	922.97	903.11	+2.20 %
S & P 100	312.16	307.56	+1.50 %
S & P 500	331.75	326.82	+1.51 %
S & P Ind	388.49	382.53	+1.56 %
NYSE Cp	180.87	178.71	+1.21 %
Britain			
FTSE 100	2,164.40	2,168.40	—0.18 %
FT 30	1,688.40	1,703.70	—0.90 %
Japan			
Nikkei 225	24,120.	24,360.	—0.94 %
West Germany			
DAX	1,414.88	1,522.40	—7.06 %
Hong Kong			
Hang Seng	3,079.67	3,125.69	—1.47 %
World			
MSCIP	468.40	478.30	—2.07 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Dec. 21	Dec. 14
Discount rate	6.50	7.00
Prime rate	10.00	10.00
Federal funds rate	7⅛	7⅛
Japan		
Discount	6.00	6.00
Call money	8¼	7 27/32
3-month interbank	8 1/16	8 3/32
West Germany		
Lombard	8.50	8.50
Call money	8.45	8.45
3-month interbank	9.20	9.10
Britain		
Bank base rate	14.00	14.00
Call money	14¼	14⅜
3-month interbank	14 1/32	14.00
Gold	Dec. 21	Dec. 14 Chge
London p.m. fix $	383.75	373.20 +2.83 %

Next Wave of Computers Will Place the World in One Hand

By John Markoff
New York Times Service

SUNNYVALE, California — In Silicon Valley, where each new computer generation is smaller, lighter and more powerful than the one before, designers are thinking about the consequences of the next wave of machines, which they say will change the way computers are used as thoroughly as the Sony Walkman changed the way people listen to music.

Now that notebook-sized computers are a common sight, programmers and hardware engineers are enthusiastic about what is coming next: a new kind of very small computer equipped with an electronic stylus and pad that deciphers handwriting and circuitry that allows it to communicate with other computers using radio waves.

With no need to enter information on a keyboard or to communicate by plugging into a telephone line, these "pentop" or "palmtop" computers could have a far more radical impact than the personal computer, which is most frequently used as a deskbound replacement for the manual typewriter.

Coupling far simpler software with the latest microprocessors, the personal computer would finally become a consumer appliance.

The new machines will be so light and portable, said Adele Goldberg, a computer scientist at Parcplace Systems Inc., a software developer in Mountain View, California, that users won't have to think about whether or not to bring their computer with them. It will be a matter of course.

This vision of the coming computer/communicator has more than a touch of Star Trek about it: a handheld gadget that can effortlessly send and receive messages and faxes, store and retrieve computer documents, recognize handwriting and someday even respond to voice commands.

More powerful than today's desktop computers, the nomadic computer is also expected to be less visible and may not even be thought of as a computer.

Instead it could augment many everyday tasks, functioning as an appointment calendar, a tape recorder and a gateway to information ranging from the day's news to vast digital libraries.

The potential of these pen-based computers inspires passionate adherents like James Dao, who is betting that for most computer applications in the not-so-distant future the pen will replace the keyboard.

Mr. Dao has spent almost a decade conducting research into new computer technologies for recognizing handwriting. His company, Communications Intelligence Corp. of Menlo Park, California, recently began licensing its technology to Apple and the NCR Corp.

While Mr. Dao sees this new kind of computer mainly as a productivity tool, others argue that it could bring about social changes much deeper than those wrought by previous machines.

Jacques Attali, a French social theorist and currently president of the European Bank for Reconstruction and Development, predicts the emergence of a new class of nomads at the very top of the socioeconomic scale.

As communications and computer technologies grow in power the notion of place will be fundamentally altered, he suggests. The wealthiest nomads will be freed to jet through the world, permanently attached only by their friendships and their work.

After all, human beings have settled in villages and cities only during the last 10,000 years. Freed by new technologies that permit constant contact, he speculates, it will seem natural to roam the globe.

In the United States and Europe cellular phone systems will be able to handle digital radio communications and global two-way satellite networks will extend coverage to even the most remote wilderness areas.

It will no longer be necessary for mail to be forwarded when you move or to inform people of your new address and phone number — or even to have an address. Addresses will become a single number that follows you wherever you travel.

"Large office buildings are a thing of the past," said Geoffrey S. Goodfellow, founder of Anterior Technology, a company in Menlo Park that is developing technology to merge electronic mail with pocket pagers and eventually portable pentop communicators.

"For the moment people still think they need them because that's the older paradigm of doing business."

John Sculley, Apple Computer Inc.'s chairman and chief technical officer, said, "In the 1990s, what we're talking about is the complete reorganization of work."

The region's established computer makers, like Apple, have been chasing the vision of nomadic technology for years, but more recently a number of start-up companies have taken up the quest as well.

"We want to build the anywhere, anytime computer," said Kamran Elahian, who founded Momenta, a company in Mountain View that is attempting to rethink what a portable computer should be.

But do people really need to be wired in, with all of this information at their fingertips each second of the day?

Mr. Goodfellow dismisses the possibility that people might resist the thought of always having a computerized communicator tying them to the rest of the world like an umbilical cord.

New IBM 'Notebook' PC

New York Times Service

NEW YORK — International Business Machines Corp. is preparing to enter the fastest-growing part of the personal computer business, the market for lightweight "notebook" portable computers.

According to a report to be published on Monday in Infoworld, a computer industry trade publication, the computer maker will introduce its first notebook computer in February.

The machine, which will be based on Intel's 386sx microprocessor, will weigh 7 pounds including a 60 megabyte 3.5-inch hard disk and will be priced between $5,000 and $6,000, the magazine said.

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ATLAS FUND
Société d'Investissement à Capital Variable
R.C. Luxembourg B 27 255
NOTICE OF MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders will be held at the registered office in Luxembourg, 10A, Boulevard Royal, on:

Thursday 17th January, 1991 at 11.00 a.m.

for the purpose of considering the following Agenda:

1. To accept the resignations of Prince Rupert Loewenstein, Dr. Alfred Hartmann, Mr. Henri de Vernhouse, Mr. Nicolas Jezic, and Mr. Richard Kiche as Directors of the Company.
2. To grant discharge to the resigning Directors in respect of the execution of their mandate.
3. To appoint in replacement of the resigning Directors Mr. Donald Marr and Mr. Jonathan O'Donoghue both directors, Nicolay Associates Limited, 35 Hill Street, London W1X 7FD.
4. As the capital of the Company has fallen below the minimum capital, the question of dissolution of the Company will be submitted to the shareholders.

No quorum shall be prescribed for the all agenda of this meeting. The dissolution (point 4) may be resolved by shareholders holding one fourth of the shares at the meeting.

The shareholders on record on the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company not later than twenty-four hours before the meeting.

The present notice and a form of proxy have been sent to all shareholders on record at 28th December, 1990.

Proxy forms are available upon request at the Registered Office of the Company.

By order of the Board of Directors
J. Pierson
General Manager

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. December 21

Dollar Straights

Governments / Supranationals

Banks & Finance

Global Corporates

Floating Rate Notes

Deutsche Marks

Issuer & Mat	Price	Crt. Cpn.
Adb Oct 99	99	8.63
Africtel Dv Bk 8-1-97	99⅝	8.75
Arara Mar 05	97½	8.86
Asfinag Mar 85	97	9.25
Austria Feb 85	99⅝	8.88
Austria Feb 98	98¼	8.88
Belgium Aug 97	100	8.88
Belgium Aug 99	99½	8.63
Belgium Mar 00	99⅝	8.63
Belgium May 95	99⅝	9.09
Bk Greece Jul 98	97¾	8.85
Bk Greece Jun 92/95	99⅝	8.69
Bk Of China Nov 93	98¾	8.94
Bnp Jun 92	100	8.50
Bundesbahn 13-mar-00	99⅝	9.00
Bundesbank 6-apr-00	99¼	8.85
Bundespost 4-may-00	99⅝	8.70
Cibc Nov 95	91¼	8.88
Cic Mar 93	99½	8.84
Coe Oct 95	100	8.81
Commerzbk Dec 93	99⅝	9.44
Commerzbk Oct 95	92	8.25
Cred Foncier 96	99⅝	8.56
Creditop 15-may-94	99½	9.69
Danish Ind 4/4/97	99¼	8.88
Denmark Stars 96	100	9.00
Dg Bank 96	91½	8.00
Dsc 96	91½	8.00
Dresdner Fin 94/99	99⅝	8.63
Dresdner Fin Jan 00	99⅝	8.56
Dresdner Fin Jul 98	99⅝	8.63
Ecsc Aug 97	99⅝	8.25
Eec 92	99⅝	8.75
Eib 19/6/06	99½	9.48
Eib 2-oct-00	99⅝	8.73
Eib 30/8/06	99⅝	8.54
Eurofima Jul 99	99⅝	8.36
Great Belt Feb 2000	99	8.32
Halifax May 1995	98⅞	9.25
Hydro Quebec Apr-00	99	8.78
Ibl 95	91½	8.00
Ikb Fin Nv 95	91¼	8.00
Ireland 00 Feb	98¾	8.63
Ireland 97 (Redmd)	100	9.63
Ireland 98 Stars	100	9.05
Ireland Jul 98	99⅝	8.44
Jp Morgan 95	93	8.00
Kfw Oct 99	99	8.47
Kop Frn 11-apr-2000	99⅝	9.81
Lavoro Bk Feb 95	99	8.84
Lavoro Bk May-95	99	9.22
Lkb 95 Nov	99⅝	8.84
Lkb 97 Jul	99⅝	8.63
Lkb Feb 00	99⅝	8.81
Lkb 97 Jan	99⅝	8.44
Lkb 97 Nov	99⅝	8.22
Lufthansa Int Fin 00	99⅝	8.78
Malaysia Dec 05	94¼	9.69
Midland 98	92½	8.56
Mitsubishi Fin Jan 96	93¾	8.88
Montedison 93	99⅝	8.94
Nationwide Bs Aug-95	97	8.84
New Zealand Jan 97	99⅝	9.31
New Zealand Mar 95	99⅝	8.72
Okb 29-may-95	99⅝	8.98
Rbc 95	91	8.00
Renfe 96	99½	8.75
Saskatchewan Oct-97	99½	8.85
Se Banken Mar 95	99½	9.21
Sec Pac 95	90	8.00
Staatsbank 10-dec-93	100	8.70
Staatsbank 28-sep-94	100	8.77
Staatsbank 5-sep-95	100	8.77
Staatsbank 7-mar-94	100	9.27
Staatsbank Jun 94	100⅛	9.18
Staatsbank Mar 94	100⅛	8.88
Staatsbk a Oct-94	100	8.62
Staatsbk b Apr-94	100	8.76
Staatsbnk Ber Aug-93	99⅝	8.75
Ubf Feb 2000	99⅝	9.03
Union Finland 96	91	8.00
Wells Fargo 95	85	8.00

Pounds

Issuer & Mat	Price	Crt. Cpn.
Abbey Nat 92/00	99⅝	13.94
Abbey Nat 93	99½	15.04
All & Leic Jul 93	99½	14.13
All & Leic Jul 94	99½	13.96
All & Leic Jul 96	99	13.94
All & Leic May 95	99⅝	13.91
All & Leic Sep 93	99⅝	14.13
Anglia 96 Sep	99⅝	14.08

Dollars

Ecus

Issuer & Mat	Price	Crt. Cpn.
Bca Agricoltur Jun93	99⅝	10.56
Belgium Apr 00	99⅝	9.91
Belgium May 99	99⅝	10.03
Bnp Aug 96 (Ecu)	99⅝	10.25
Cnca Feb 06	99⅝	10.06
Cfl Apr 96 (Ecu)	99⅝	10.02
Enl 92	99⅝	10.63
Ireland Apr 97	99⅝	10.19
Javelmer 21-nov-95	99½	10.40
Italy 30-oct-85	99½	9.78
Lavoro Bc Naz Apr 00	98¼	10.16
Pacorp 19Sept 97	98	10.81
St-gobain Perp	92	10.75

Third World

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
Astra Sa	16¾	92	33	n.a.	
Banobras	17¼	92	104	13.13	+594
Escom	11½	91	98½	13.62	+536
Escom	12¾	91	99	17.30	1006
Mexico	8⅝	91	94	15.43	+819
Nafin	11¾	95	98⅞	12.25	+481
P E M E X	11⅝	93	98½	12.24	+476
P E M E X	17¼	94	112	4.43	-567
South Africa	12½	91	100	11.46	+422

Dollar Zeros

Issuer	Mat	Price	Yld	Spd Trsy
AmerHosp	00	34	11.85	+344
Amer Intl Gp	04	38⅝	9.20	+60
Amer Medic	02	12	20.01	1151
Amex	07	39¼	9.85	+143
Asian Dev Bk	04	29⅝	9.10	+50
Atl Richfield	92	91¼	8.66	+130
Austria	95	68⅝	8.53	+61
B N P X/w	92	88⅝	9.50	+208
B P Capital	95	68⅝	8.81	+97
Baker	97	57	10.79	+341
Beatrice Foods	92	88¼	11.88	+443
Bk Tokyo	91	95⅞	10.42	+325

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MUTUAL FUNDS

Figures as of close of trading Friday, December 21.

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

NL — No initial sales load. f — Previous day's quote. r — Redemption charge may apply. x — Ex dividend.

New England'
Victims of The

But Most U.S

DEBT: Loan Market

Continued from first finance page)

هكذا من الاصل

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Tokyu	¥20,000	1997	¼	100	—	*Below the Japanese long-term prime rate, semiannually.* Noncallable. Fees 0.40%. Denominations 10 million yen. Payable in Jan. (Yamaichi Int'l Europe.)
Fixed-Coupons						
Asahi Chemical Nederland	$14	1994	3	87.0893	—	Noncallable. Fees 1⅜%. Denominations $1 million. (IBJ Int'l.)
Dynaworld Bank & Trust	$50	1996	10½	93.725	—	Semiannually. Redeemable at 96.35 in 1994. Fees 1⅜%. Payable in Jan. (Yamaichi Int'l Europe.)
Coriplo (London)	¥10,000	1996	7	101⅜	—	Noncallable. Fees 1⅜%. Payable in Jan. (IBJ Int'l.)
Interfinance Crédit National	¥3,000	1992	12½	101⅛	—	Noncallable. Redemption amount at maturity will be linked to the performance of the Nikkei 225 stock index. Fees 1⅜%. Denominations 10 million yen. Payable in Jan. (New Japan Securities.)
Nissan Motor	¥30,000	1997	7¼	101⅜	—	Noncallable. Fees 1⅜%. Payable in Jan. (Yamaichi Int'l Europe.)
Nissan Motor	¥20,000	1999	7.20	101⅜	—	Noncallable. Fees 2%. Payable in Jan. (Daiwa Europe.)
Orix	¥10,000	1995	7½	101⅜	—	Noncallable. Fees 1⅜%. Payable in Jan. (Daiwa Europe.)
Tokyo Tatemono	¥20,000	1996	7.40	101.15	—	Noncallable. Fees 1⅜%. Payable in Jan. (Yamaichi Int'l Europe.)
Tokyo Tatemono	¥10,000	2001	7¼	100¾	—	Noncallable. Fees 2%. Denominations 10 million yen. Payable in Jan. (Daiwa Europe.)
Tokyu	¥32,000	1998	7½	101.475	—	Noncallable. Fees 1⅜%. (Nomura Int'l.)
Equity-Linked						
Koken Pharmaceutical	$100	1994	4½	100	—	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 1,425 yen per share and at 134.35 yen per dollar. Fees 2½%. (Yamaichi Int'l Europe.)

Political Worries Push Bonds Lower

United Press International

NEW YORK — The U.S. Treasury market declined last week, despite a half-point cut in the discount rate, as Soviet political tremors and year-end profit-taking depressed prices and pushed the long-bond yield back over 8.25 percent.

U.S. bond prices stood mostly to benefit from fears of Soviet turmoil, which pushed international investors to the perceived safety of U.S. Treasury securities. But edgy bond market participants facing year-end statements saw a good excuse to cash in long-term gains and move to short-term instruments.

Analysts said the market's focus has shifted from the recession most economists see unfolding in the United States — bullish for bonds — to political risks growing in the Gulf and emerging in the Soviet Union.

The benchmark 8¾ percent, 30-year bond ended Friday at 105 5/32 to yield 8.28 percent, compared with 106 6/32 and 8.19 percent a week earlier.

The announcement Thursday by the Soviet foreign minister, Eduard A. Shevardnadze, that he was resigning dampened a bond rally sparked by the Federal Reserve's move Tuesday lowering the discount rate to 6.5 percent from 7 percent.

The central bank followed Wednesday with open-market operations to ease the Federal funds rate to 7 percent from 7.25 percent.

The moves on the two key rates made clear the Fed is unleashing its monetary policy weapons on the recession that Chairman Alan Greenspan has acknowledged in all but name.

The impact of the easing, however, was overcome by the Soviet announcement and more belligerent exchanges between the United States and Iraq.

Over the past several weeks, bond investors "had focused almost exclusively on how deep the U.S. recession would be and how much inflation progress it would yield," said Richard Berner in Salomon Brothers' weekly Comments on Credit newsletter.

U.S. CREDIT MARKETS

Infotech Says It Is Unable To Pay Loan

The Associated Press

NEW YORK — Infotechnology Inc., the cash-strapped owner of Financial News Network and United Press International, has said that it can not repay a $20.7 million loan that was called in early.

The lenders, Security Pacific National Bank and Mid-Lantic National Bank, now have the right to foreclose on Infotechnology's 46 percent stock interest in FNN, a cable television network.

The FNN stock was placed as collateral for the loan, which originally was due next July. The banks did not say whether they would exercise their foreclosure option. Security Pacific said, "The credit is in default and the banks have moved to protect their interests."

An Infotechnology spokeswoman said the company's cash flow did not allow it pay the principal and interest on the loan, which was called for payment by Security Pacific.

Drexel Is Still Paying Seven-Figure Salaries

New York Times Service

NEW YORK — As salaries across Wall Street collapse in the tough market environment, some annual payments of more than $1 million a year are coming from a firm few would expect: Drexel Burnham Lambert Inc., the former powerhouse that filed for bankruptcy protection earlier this year.

About 10 percent of the skeletal workforce at Drexel, the investment firm that came to symbolize the fast-money dealmaking days of the 1980s, are receiving annual salaries in excess of $250,000, with two traders each receiving $1.45 million a year, according to internal Drexel documents.

The documents detail Drexel's finances only as of October. But people involved in the bankruptcy said that there has not been substantial revision since then.

The salaries for the 29 executives receiving more than $250,000 a year were set early in the bankruptcy, and have mostly been given to senior executives and traders.

The total pay for Drexel's 73 officers, which includes everyone from the level of a vice president to the chief executive, was $21.12 million. The amount paid to the rest of the staff was $14.05 million. A total of 292 people work at the firm, according to the documents.

The payments have been reviewed by the Federal bankruptcy judge overseeing the case as well as by executives on various creditor committees and the equity committee that were established as part of the bankruptcy proceeding.

The payments to the executives, as well as payments by Drexel to lawyers and accountants working on the bankruptcy, have led some people involved in the case to contend that assets in the firm are being wasted. Those concerns helped lead to a decision last week to have the firm's current compensation system reviewed by an outside consultant.

New England's Banks: Victims of Their Excess

The Associated Press

WASHINGTON — From the weakened Bank of New England, once a regional leader, to the neighborhood savings bank, experts say New England's financial institutions are limping into a recession they helped cause.

The economic slowdown sweeping New England is partly cyclical. But bankers and economists say it also reflects the extraordinary overoptimism displayed by lenders in the booming 1980s, optimism rivaled only by that of the Southwest's savings and loan managers.

"Bankers are just scared stiff that they are in a Texas-style freefall that could envelop all the region's banks," said Paul German of Regional Financial Associates, a banking consultant based in Westchester, Pennsylvania.

"This is a banking-led recession, there's no question about that," Mr. German said. "That is why it is particularly bad in the New England area and why that area is the worst in the nation."

New England's economy is far more diverse and able to absorb a slump than was the oil-based economy of Texas in the 1980s. And strict zoning laws in New England acted as a brake on overdevelopment, unlike in Texas.

"Every major bank holding company in Texas essentially failed," said Ken Guenther of the Independent Bankers Association of America, a Washington-based group. "That's not going to happen in New England. But there won't be a light at the end of the tunnel until real estate values stabilize."

Statistics generated by the Federal Deposit Insurance Corp. bear out the weakened condition of banking in New England.

Massachusetts, Connecticut, New Hampshire and Maine were among the top six states in terms of commercial bank losses in the first three quarters of the year.

"There is little prospect of near-term improvement in the Northeast," the FDIC reported.

Even some bankers admit lending practices by their colleagues contributed to the economic slide.

"I believe that it was an overextension of credit in commercial real estate," said Jasper J. Jaser, president of Prime Bank in Orange, Connecticut. "Banks were lending against equity which did not exist."

The situation in Connecticut, Mr. Jaser said, "is still in a state of deterioration." He predicted that "several banks" would close or be swallowed up by larger banks.

Anticipating a possible spate of closures, the FDIC has opened a field office in Franklin, Massachusetts, with 350 employees ready to handle the work that goes along with a bank failure.

Saudi Banker Sees Reversal In Capital Flow

The Associated Press

JIDDA — The flight of capital from Saudi Arabia that followed the Aug. 2 invasion of Kuwait has stopped, and much of the money has returned, a leading Saudi banker said.

"Most of the $8 billion which was transferred outside the kingdom last August has returned now," said Wahib Binzagr, chairman of the Saudi Cairo Bank.

Speaking to reporters Saturday night after a meeting of the bank's general assembly, Mr. Binzagr said the invasion led to a panic, causing banks, citizens and expatriates to transfer some of their savings outside the country.

"Now this has stopped and the panic is over," he said.

Mr. Binzagr said Saudi banks have enough liquidity to cope with any similar situation in the future.

The Bahrain-based Gulf International Bank recently reported that private sector deposits in Saudi Arabia, the United Arab Emirates and Qatar were estimated to have dropped by 10 percent to 12 percent in the immediate wake of the invasion.

Home Ownership Declines in U.S.

By Frank Clifford
Los Angeles Times Service

LOS ANGELES — In a decade noted for both homelessness and luxurious living, the percentage of U.S. residents who own their homes declined for the first time since the Depression, the government has reported.

The nationwide home ownership rate has dropped from 65.6 percent in 1980 to 63.9 percent in 1989, according to a U.S. Census Bureau study.

The report also offered a six-year review of home ownership in the 50 states and a four-year look back at the nation's largest metropolitan areas.

Economists blame the national decline on high mortgage interest rates in the early 1980s and on a surge in home prices later in the decade that outstripped increases in personal income.

"Even though we don't have those 18 percent interest rates any more, we continue to have an affordability problem because many people, especially young people starting out in the work force, can't come up with down payments," said David Berson, chief economist for the Federal National Mortgage Association.

Married couples under 25 experienced the sharpest decline in home ownership over the past decade. In 1980, more than 32 percent of these young couples owned their homes. Today, less than 28 percent of them are home owners, according to the Census Bureau report.

Robert R. Callis, author of the report, and other experts also attribute the drop in home ownership to the proliferation of a new kind of household, one made up of young, unmarried people who could not afford their own homes.

"Contributing to the overall decline was a larger increase in non-family households compared to family households" wrote Mr. Callis. "A smaller portion of nonfamily households own homes than do family households."

Despite the decrease in the rate of home ownership, the Census Bureau found that the number of homeowners increased from about 54 million to nearly 60 million.

The Northeast is the only part of the United States where the rate of home ownership increased over the past decade, rising by slightly over 1 percent. The South experienced the sharpest decline, nearly 3 percent. The Midwest dropped by 2.1 percent and the West by 2.2 percent.

During the past six years, states showing the sharpest drops in home ownership are Alabama, Colorado and Missouri — all down about 6 percent. With increases of about 4 percent, Hawaii and Wisconsin showed the greatest growth in home ownership.

Tom Holloway, chief economist for the Mortgage Bankers Association, said last week that even though mortgage interest rates are way down from the record highs set in the early 1980s, they are nonetheless higher than they were in the 1970s and still pose an obstacle to home ownership throughout the past decade.

According to Mr. Holloway, the average home mortgage rate in the 1980s was 11.8 percent, 3 points higher than the 1970s average.

But Most U.S. Lenders Are Not 'Problems'

By Michael Quint
New York Times Service

NEW YORK — The problems of troubled banks are casting a pall over the industry, but only about 1,000 of the nation's 12,400 banks are in serious enough trouble to be labeled by regulators as "problems."

Although their troubles are great enough to threaten the solvency of the government-run deposit insurance fund, the problem banks obscure the fact that nearly 90 percent of the country's banks are still earning profits. Many banks are even managing to increase profits despite the weakening economy and problems with commercial real estate loans.

Four good examples of this are First Wachovia Corp. in Winston-Salem, North Carolina; State Street Boston Corp. in Boston; Banc One Corp. in Columbus, Ohio, and BankAmerica Corp. in San Francisco.

There are other successful banks, but these four illustrate how careful management and a focus on specific lines of business have helped companies avoid banking's current problems and left them poised for additional growth and profits.

The successful formulas in banking, many of which these four banks have skillfully adopted, are not deep secrets. Banking executives often cite four elements: The most important is the ability to avoid making bad loans, which seems obvious in an industry where just a 5 percent default rate is a sign of serious trouble.

Another is the presence of a strong consumer business that provides a stable source of deposits on which low interest rates are paid to depositors while offering opportunities to make high-interest loans.

The third is development of fee-producing businesses, like corporate cash management accounts or credit card service systems.

Finally, many successful banks have learned the importance of the diversification of business by geography and product.

When bankers talk about First Wachovia Corp., the conversation invariably turns to the company's exemplary record of avoiding bad loans.

First Wachovia eschewed the rapid growth in commercial real estate lending and financing of corporate takeovers in the late 80s.

In 1987 and 1988, for example, when other banks rapidly expanded their commercial real estate lending because they saw no other way to generate profits, Wachovia pulled in the reins. "I was a little unpopular with some of my colleagues by saying it was time to slow down on real estate," said John Medlin, Wachovia's chairman.

But now, with defaults mounting on commercial real estate loans across the country, Wachovia is reaping the rewards. In the last year, the company has been charging off as a loss less than half of one percent of its loans, a significantly lower rate than other large banks in its region.

To supplement its lending business, Wachovia has invested heavily in corporate cash management products and became a leader in this area. As a result, the bank can open doors at large corporations that might not otherwise consider doing business with a bank that ranks only 29th in the country.

State Street Boston Corp. has set two remarkable records this year. It managed to increase profits in the first nine months of the year despite the severe economic downturn in New England; and it has greatly expanded its foreign operations with four new offices, at a time when other banks are closing foreign offices and laying off staff.

As the largest U.S. custodian and trustee for mutual funds and pension funds, State Street has long been a familiar name in the investment world.

The handling of securities and related record-keeping jobs in recent years produced a steady stream of profits that kept the company so occupied it was not tempted to plunge deeply into the lending business.

Fiduciary fees, which now account for slightly more than two-thirds of revenues, grew 28 percent annually in 1984 through 1989, and are up another 14 percent to $280 million in the first nine months of this year.

Although fees could decline as securities prices fall, State Street has been countering that possibility by developing a broad array of products related to its bread and butter record-keeping and safekeeping businesses.

William S. Edgerly, the bank's chairman, said the bank's top priority is increasing its share in the global custody business of providing pension funds and others with the information they need about foreign exchange and securities markets to coordinate investment activities around the globe.

Ten years ago, Banc One Corp. was hardly known outside Columbus, Ohio. Today, after acquiring dozens of large and small banks, it is the nation's 24th largest banking company and a leader in Ohio, Indiana, Wisconsin and Texas.

The geographic diversity of its business — something that many larger banks have yet to achieve — is complemented by self-imposed restrictions that limit its lending to local consumers and small- and medium-sized businesses.

"When you limit yourself to consumer and small business loans, it's a lot harder to get into trouble," said John B. McCoy, Banc One's chairman.

All the banks operate with identical accounting structures and must make monthly reports of results and projections. This allows early identification of problems and also promotes what company executives see as a healthy competition among the banks.

BankAmerica Corp., with 850 branches in California and a rapidly growing network in nearby states, epitomizes the benefits of a well-honed system for collecting consumer deposits and making consumer loans.

The stable base of consumer deposits was vital to the company in the dark days of 1985-1987 when it lost over $1.8 billion and was struggling with more than its share of bad loans and a costly overexpansion into foreign markets.

Having survived that crisis, BankAmerica is again focused on its local market, where its branch system and the strength of the California economy produced over $1.1 billion in profits in 1989.

Nearly 90 percent of the U.S. banks are still earning profits, and many are even managing to increase them despite the weakening economy.

DEBT: *Loan Market Becomes a Vehicle for Investing in the Third World*

(Continued from first finance page)

The trading market is not the be all and the end all. It is now M&A and corporate finance."

The move away from trading for trading's sake and toward corporate finance is a logical one, banking experts say. The deals provide attractive fees for the bankers. They are also less risky than playing the debt market and, for the large debt holders, provide another avenue for getting rid of debt.

"If Mexico and Brazil and other countries turn around, then this market becomes the old, traditional, boring capital-raising business," said Peter Wolka, a managing director at J.P. Morgan.

The success of the business depends, of course, on the success of the economic restructurings that are going on. As long as the programs, like those in Mexico and Venezuela, move ahead, there will be a market for raising new cash or doing privatizations.

But if they are set back — and Brazil is having new problems less than a year after the start of President Fernando Collor de Mello's austerity program — then the business could dry up.

Debt trading is a product of the debt crisis that began in 1982, when it became obvious that many Third World countries would not be able to pay back the huge loans that Western banks had made to them.

At first, the trading took the form of simple swaps. A bank would choose to consolidate its debt portfolio, trading off debt from Chile, for example, for that of Mexico, a country in which it had more confidence. Some banks then decided to get rid of the risk entirely, and sold their debt for a portion of its face value.

Some privatization deals in Brazil, Chile and Mexico helped give the market another rationale in the mid-'80s, but these debt-for-equity deals came and went.

The biggest boost for the market came in May 1987, when Citibank bowed to reality and became the first big U.S. bank to set aside reserves for anticipated losses from Third World loans. Other banks followed, making it much easier to trade debt at less than face value.

In March 1989, the Bush administration announced the Brady plan, which offered debt reduction to countries that were restructuring their economies. Subsequently, Mexico, the Philippines, Costa Rica and Morocco reached agreements, exchanging some of their old loans for Brady bonds.

Dealers in Third World debt are hoping that the Brady bonds will make the market attractive to larger numbers of investors, even retail customers. The bonds come with guarantees on interest and principal and can be repackaged into a number of financial products.

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
SAUDI JOINT STOCK COMPANY

ANNOUNCES

Suppliers of below listed electrical systems, equipment and materials for a 200,000 m², high rise residential and commercial complex in Makkah Al-Mukarramah, Kingdom of Saudi Arabia are invited to bid

a) 11 KV (13.8 KV) 60 HZ M.T. Switchgears, 11 KV (13.8 KV) / 0.4 KV, 60 HZ transformers, 11 KV (13.8 KV), 60 HZ/Cu/XLPE/SWA PVC cables
b) 0.4 KV, 60 HZ, 3Ø L.T. distribution equipment (such as main circuit breakers, distribution switch boards, power panel boards, lighting panel boards, MCCs, master starters, disconnect switches, lighting contactor and dimmer boards), Cu/XLPE/SWA/PVC and Cu/PVC/PVC cables
c) Diesel generating sets with automatic transfer switching assembly
d) Lighting fixtures (fluorescent, incandescent, vapor recessed and surface mounted), wiring devices (such as light switches, sockets double pole switches) and wires.
e) Distribution ways (such as galvanized trays, trunking, conduits and PVC conduits) with all accessories.
f) Fire alarm system of addressable type with main control panels, detectors, alarm stations and cables
g) Telephone system with main PABX, main distribution frames, telephone outlets and cables.
h) Master antenna TV system with master antenna, amplifiers, splitters, tap-offs, outlets and cables.
i) Public address system with central rack, ceiling and column loud speakers, volume control units, bed head units, cables
j) Building management system.
k) Helicopter lighting.

- Interested bidders should register by the dates listed below
  1) December 30, 1990 for items A, C and E
  2) January 03, 1991 for items B and D.
  3) January 05, 1991 for items F,G,H,I,J and K.
- The bid documents will be available for pick up as follows.
  1) December 31, 1990 for item A,C, and E.
  2) January 08, 1991 for items B and D.
  3) January 15, 1991 for items F,G,G,I,J and K.
- Offers should be submitted by hand or mail to P.O. Box 7134, Makkah/Saudi Arabia or Fax N° (02) 5585475 not later than:
  1) January 05, 1991 for items A,C and E.
  2) February 15, 1991 for items B and D.
  3) February 28, 1991 for items F,G,H,I,J B and K.
- Bid documents at $1,000
- For more information, please contact:
  PROCUREMENT DEPT., TEL.: (02) 558-5266
  MAKKAH – SAUDI ARABIA.

MAKKAH CONSTRUCTION & DEVELOPMENT COMPANY (MCDC)

ANNOUNCES

ITS DESIRE TO PROCURE
SUPPLY AND INSTALLATION OF

1- GLAZED ALUMINUM DOORS AND WINDOWS COMPLETE WITH HARDWARES, MOTOR DRIVEN ALUMINUM PARTITIONS AND ROLLER SHUTTERS: 24,500 sqm.
2- ALUMINUM HANDRAILS : 4,200 m.

THE QUANTITIES ARE SUBJECT TO VARY ± 15%.

- The bidders who are willing to get the documents should inform MCDC before 03-01-1991.
- The documents shall be given to the bidders on 07-01-1991.
- Offers should be submitted to P.O. Box 7134, Makkah or Fax N° (02) 5585475 not later than 02-02-1991.
- Bid Documents at $1,000
- For more information please contact: PURCHASE DEPT., TEL.: (02) 558-5266, MAKKAH – Saudi Arabia.

MAKKAH CONSTRUCTION & DEVELOPMENT COMPANY (MCDC)

ANNOUNCES

ITS DESIRE TO PROCURE
SANITARY WARE

1-	EUROPEAN WATER CLOSET (White)	2,100 Nos.
2-	ASIATIC WATER CLOSET (White)	240 Nos.
3-	BIDET (White)	1,900 Nos.
4-	BATH TUB (White)	750 Nos.
5-	WASH HAND BASIN (White)	2,300 Nos.
6-	SANITARY FIXTURE / FITTINGS	9,500 Sets
7-	STAINLESS STEEL SINK	18,000 Nos.

THE QUANTITIES ARE SUBJECT TO VARY ± 15%.

- The bidders who are willing to get the documents should inform MCDC before 03-01-1991.
- The documents shall be given to the bidders on 08-01-1991.
- Offers should be submitted to P.O. Box 7134, Makkah or Fax N° (02) 5585475 not later than 09-02-1991.
- Bid Documents at $1,000
- For more information please contact: PURCHASE DEPT., TEL.: (02) 558-5266, MAKKAH – Saudi Arabia.

MAKKAH CONSTRUCTION & DEVELOPMENT COMPANY (MCDC)

ANNOUNCES

ITS DESIRE TO PROCURE
SUPPLY AND INSTALLATION OF

1-	PASSENGER ELEVATORS	: 6 Nos.
2-	FREIGHT ELEVATORS	: 4 Nos.
3-	FREIGHT AND PASSENGER ELEVATOR	: 26 Nos.
4-	PANAROMIC	: 10 Nos.
5-	INTERNAL ESCALATORS	: 22 Nos.
6-	EXPOSED ESCALATORS	: 10 Nos.
7-	WATERPROOF COVERED ESCALATORS	: 3 Nos.
8-	TRAVELLATORS	: 4 Nos.

- The bidders who are willing to get the documents should inform MCDC before 03-01-1991.
- The documents shall be given to the bidders on 10-01-1991.
- Offers should be submitted to P.O. Box 7134, Makkah or Fax N° (02) 5585475 not later than 11-02-1991.
- Bid Documents at $1,000
- For more information please contact: PURCHASE DEPT., TEL.: (02) 558-5266, MAKKAH – Saudi Arabia.

MAKKAH CONSTRUCTION & DEVELOPMENT COMPANY (MCDC)

ANNOUNCES

ITS DESIRE TO PROCURE
SUPPLY AND INSTALLATION OF

1-	MARBLE FLOOR AND WALL TILE	45,000 sqm.
2-	GRANITE FLOOR AND WALL TILE	7,500 sqm.
3-	CERAMIC FLOOR AND WALL TILE	85,000 sqm.
4-	TERRAZZO TILE	60,000 sqm.

THE QUANTITIES ARE SUBJECT TO VARY ± 15%.

- The bidders who are willing to get the documents should inform MCDC before 03-01-1991.
- The documents shall be given to the bidders on 7-01-1991.
- Offers should be submitted to P.O. Box 7134, Makkah or Fax N° (02) 5585475 not later than 7-02-1991.
- Bid Documents at $1,000
- For more information please contact: PURCHASE DEPT., TEL.: (02) 558-5266, MAKKAH – Saudi Arabia.

MAKKAH CONSTRUCTION & DEVELOPMENT COMPANY (MCDC)

ANNOUNCES

ITS DESIRE TO PROCURE
SUPPLY AND INSTALLATION:
CARPENTRY & JOINERY

1-	DOORS	17,000 sqm.
2-	WINDOWS (TEAKWOOD)	5,500 sqm.
3-	CLOSET AND VANITARY UNITS	7,000 sqm.
4-	HARDWOOD HANDRAIL, STAIRS	25,000 m.
5-	MESH-ARIBIEH, ROSHAN	14,000 sqm.

QUANTITIES ARE SUBJECT TO VARY ± 15%.

- The bidders who are willing to get the documents should inform MCDC before 04-01-1991.
- The documents shall be given to the bidders on 16-02-1991.
- Offers should be submitted to P.O. Box 7134, Makkah or Fax N° (02) 5585475 not later than 16-02-1991.
- Bid Documents at $1,000
- For more information please contact: PURCHASE DEPT., TEL.: (02) 558-5266, MAKKAH – Saudi Arabia.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, December 21.

A

	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A&W Bd			2171	33¼	30¾	33¼	+2
ABS	.32	6.1	99	5½	5¼	5¼	
ACC Co	.16	1.9	615	8¾	7	8½	+1
ADC			2111	24¼	23¾	23¾	
ADT			8721	22¼	20¾	20¾	—¾
AEL			498	4¾	4	4½	—¼
AEP s			120	9¼	7½	8¾	+¾
AST			37044	34½	31¾	33¾	+6¾
AamRt	.10	1.1	216	9	8¾	9	+¼
AbingB	.08i		111	2	1½	2	
Acadin			7557	1		1	—⅛
Accel	.20b	2.7	66	7⅝	7¼	7½	+⅜
Acclaim			6796	3⅞	3½	3¾	—½
Aceto	.28	2.6	57	10¾	10⅛	10¾	+¾
ACMT			241	12½	10⅜	11⅞	+¾
Acml g			778	7⅛	6¼	6¾	—1
AcmeSt			792	13½	13	13	
ActARt			2714	1⅞	1¼	1⅜	—⅜
Actiom			1242	12¾	11½	12¼	+¾
AdacLb	.04i		32757	1⅛	⅞	1	+
Adage			370	⅜	¼	¼	—⅛
Adapt			8421	9¾	8¾	9¼	—¼
Adinat s			3306	12	11	11	—
AdiaSv	.16	.8	1777	21¼	19¾	19¾	—1¼
AdobeS	.24	.8	16320	30	27½	29¾	+2¾
Adtec			209	2⅞	2¾	2¾	
AdvCir s			988	5¼	4¾	5	+¼
AdvRos			220	10¾	10	10¾	—¼
AdvLog			7375	10¾	8¾	10	+1
AdvMag			185	15¾	13½	15¾	+1¼
AdMkSv			610	2⅜	1⅞	1⅞	+⅛
AdvPoly			1600	3⅜	2⅛	2½	—⅜
AdvSem			44	2¼	2	2¼	+⅛
AdvTel			4799	17½	17	17¼	
Advanta	.12	1.2	1957	10⅞	10	10¼	—¼
AdvaSy			6130	12	11¼	11¼	
AeqisG	.20e	4.0	22	5½	5	5	—1¼
Aequitrn			385	2	1¼	1⅞	+½
Aegon	2.71e	4.3	221	65	62½	62½	—2½
AerSysI			342	[illegible]	[illegible]	½	—
Aerovx			1189	2⅝	2¼	2½	+¼
AfIBcCo	.16i		403	⅝		½	—
AfiBsh			1810	10⅞	9¾	10¾	+1
AgncyR	.68i	9.4	7337	7⅝	6¾	7¼	—½
Agnico g	.20	3.6	2110	5⅝	5¼	5⅝	+⅜
Agourn			579	6¾	5¼	6¼	+⅛
Aicorp			737	9¾	8¾	9	—⅜
AirMd			600	5¾	5⅛	5½	—⅛
AirWisc			2080	6¾	6½	6⅝	+⅛
Airtran	.16	2.7	417	6⅝	5⅝	6	—⅛

(Continued on next page)

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WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Amsterdam shares marked time because of lack of any encouraging political or economic news, dealers said.

The recent 9 percent state loan raised a disappointing 2.5 billion guilders, and this added to pressure on share prices, they said.

The CBS all-share index closed the week at 168.9, almost unchanged from 169 the previous Friday.

Total turnover reached 6.8 billion guilders, of which 1.9 billion was in equities. A week earlier, volume was the same, with 2.2 billion in equities.

The remaining trading days in 1990 will be dull, according to the *Kempen & Co.* brokerage.

Frankfurt

Political worries, including the Gulf crisis and the resignation of Soviet Foreign Minister Eduard A. Shevardnadze sent German shares sharply lower last week. The DAX index fell 107.52 points, or 7.06 percent, closing at 1,414.88.

The Commerzbank index showed a similar trend, closing 110.50 points lower at 1,735.

By far the biggest shock was the resignation of Mr. Shevardnadze on Thursday, which sent the DAX down 3.29 percent, after what had been a calm start to the week.

In the midst of so much political uncertainty, the announcement of a drop in U.S. interest rates had no effect on the markets.

Trading volume was also down. Shares worth 22.63 billion Deutsche marks changed hands on Germany's eight stock exchanges, down from 26.81 billion the previous week.

The announcement of plans for a road tax to finance German unification caused major fluctuations in the auto sector, which saw the biggest falls of the week. BMW lost 26 DM to end the week at 399 DM, Volkswagen was down 34.50 DM to 337 DM, and Daimler-Benz fell 57 DM to 557 DM.

Hong Kong

Share prices fell on the local market in uneasy trading this past week with the Hang Seng Index losing 46.02 points, or 1.47 percent, to close at 3,079.67 on Friday.

Average daily turnover shrank to 601 million Hong Kong dollars from the previous week's 769 million dollars.

The announcement by Hongkong & Shanghai Banking Corp., seen as the financial symbol of this British colony, that it will set up a holding company in Britain sent the key barometer down 73.77 points Monday.

Dealers said investors were cautious in view of the Christmas holidays and uneasiness over the Gulf crisis.

London

The prospect of deepening recession in the first half of 1991 pushed British stocks lower last week.

The traditional end-of-the-year rally that has become synonomous with the spirit of Christmas for London traders was notable by its absence as the FT-100 leading shares registered another week of losses.

At the close Friday the key index was down 6.8 points on the week at 2,164.4.

Much of the losses came Thursday following the resignation of Eduard A. Shevardnadze as Soviet foreign minister. The threat of greater destabilization of the Soviet government sent share prices over 30 points lower at one point during the day.

The gathering evidence that Britain was entering a recession more severe than anticipated also cast a cloud over proceedings.

A gloomy monthly survey by the Confederation of British Industry, a survey of investment intentions revealing that British manufacturing investment will be down by 7 percent in 1991, and a sharp downturn in the money supply were all factors supporting this diagnosis.

Milan

Milan stocks had a somber week, as prices plunged by 6.62 percent on worries about the Gulf situation and about events in the Soviet Union.

Trading volume was low, with a mere 45 million shares changing hands per day on average against 80 million the previous week.

Big losers included Fiat, down 10.55 percent on the week, Generali down 9.21 percent, Olivetti down 9.32, Mediobanca 9.62 percent lower.

The worries about the world situation came on top of concern about the prospects for recession in the Italian economy, and dealers said they saw no prospect for any market improvement in the next few days, especially with many investors off for the year-end holidays.

Paris

Shares listed on the Paris Bourse tumbled last week amid increasing fears about a possible war in the Gulf.

Potential investors also remained worried by the deepening U.S. recession, the weak French franc, and continuing high French interest rates combined with mediocre prospects for the French economy.

Paris stock prices lost 4.4 percent on the week on the basis of the CAC-40 stock price index, which closed at 1,563.97.

Singapore

The Singapore stock market was also plagued by Gulf worries and prices dipped again last week.

The Straits Times industrial index lost 16.34 points on the week to 1,171.99, while the all-Singapore SES index retreated 5.54 points to 322.82.

The quiet tone for most of the week saw poor volume of only 149.81 million units, a reduction of about 79 million.

Tokyo

Tokyo stocks closed lower last week.

The Nikkei Stock Average ended the week at 24,119.60 for a loss of 229.90 points, or 0.9 percent. The Nikkei had gained 827.01 the previous week.

The Tokyo Stock Price Index of all common stocks listed on the first section of the market suffered a 35.50-point weekly setback, closing at 1,764.82. It was a 59.98-point winner the prior week.

Trading slowed, with average daily turnover falling from 607.4 million shares to 404.5 million. Daily average value of stocks traded shrank to 466.1 billion yen from the previous week's 619.6 billion yen.

Zurich

Gulf uncertainties plus worry about whether perestroika will last in the Soviet Union kept investors away from the market, dealers said, and most Swiss stocks dropped on the week.

The Swiss Performance Index shed 16.23 points or 1.75 percent on the week to finish at 908.76.

Dealers said that the complex Soviet situation had the effect of boosting the dollar and weakening the Deutsche mark, and the Swiss franc should rise against the German currency.

In the banking sector, Union Bank of Switzerland dipped by 20 francs on the week to 2,760, while Credit Suisse, was down 55 to 1,505.

External Factors Seen Slowing Growth in Asia

United Press International

TOKYO — Growth in most Asian economies will slow in 1991, mainly because of external factors such as the Gulf crisis, a private economic research organization reported Sunday.

The Institute of Developing Economies, based in Tokyo, said growth rates also would be affected by economic conditions in the industrialized nations and exchange rates of the nations' currencies against the U.S. dollar.

The institute said exports to members of the Association of Southeast Asian Nations from newly industrializing economies, such as Taiwan, South Korea and Singapore, will continue to rise. It cited a continued need for parts and components deliveries to industrial facilities established in the ASEAN region with foreign direct investment.

In a nation-by-nation analysis, the institute said Taiwan will see its external and internal demand increase at about the same level as in 1990, attaining an economic growth of 5.0 percent, slightly down from 5.1 percent this year.

In South Korea, it said, economic growth will decline to 8.0 percent from an estimated 9.4 percent this year. Exports are expected to expand again as the country's international competitiveness recovers, but construction will recede, cooling off domestic demand, the institute said.

In Singapore, the institute said, export growth will slow down because of undermined international competitiveness, reflecting the appreciation of the Singapore dollar against the U.S. dollar.

Singapore's economic growth was forecast to slip to 6.7 percent from 8.3 percent this year, it said.

In general, the institute said the overall growth rate of Asia's newly industrializing economies will decline to 6.6 percent in 1991 from 7.4 percent this year.

Of the ASEAN group, Malaysia's economy will keep growing at a high rate of 9.3 percent, owing largely to the country's robust manufacturing industry and increased revenues from crude oil-related businesses.

The four ASEAN nations as a group are expected to see their aggregate growth rate slip to 7.1 percent from 8.0 percent this year.

BUSINESS BRIEFS

ARCO Signs Soviet Exploration Pact

LOS ANGELES (UPI) — Atlantic Richfield Co. has signed preliminary agreements with two local governments in the eastern Soviet Union to explore, develop and produce hydrocarbons.

ARCO said "protocols of intent" were signed last week by an ARCO subsidiary and the regional councils of Magadan and the Chukotka autonomous area.

Funk & Wagnalls, Field Assets Sold

NEW YORK (NYT) — K-III Holdings, a private concern formed in February 1989, said that it had agreed to buy the assets of Field Limited Partnership and Funk & Wagnalls. Sources close to the deal placed the value of the transaction at about $200 million.

K-III Holdings was formed by the buyout specialists Kohlberg, Kravis, Roberts & Co. and several former executives at Macmillan Inc., the publishing and information services company.

Intel Files Patent-Infringement Suit

SAN FRANCISCO (NYT) — In another sign of aggressiveness in trying to protect its lucrative computer chip business, Intel Corp. has filed a patent infringement suit against a small Texas company that is making a version of an Intel chip.

In a suit filed in Dallas, Intel accused Cyrix Corp. of infringing a patent for Intel's 80387 math coprocessor, a chip that works alongside the 386 microprocessor and performs high-speed arithmetic.

Malaysia Lets Lockheed Keep Stake

KUALA LUMPUR (AFP) — Malaysia has allowed Lockheed Aircraft Services International to keep its 49 percent stake in AIROD Sdn., a local aircraft repair and overhaul company, news reports said over the weekend.

U.S. Business Moves Warily in Eastern Europe

By Jonathan Fuerbringer
New York Times Service

NEW YORK — Based on just the numbers, American businesses have been cautious, if not timid, about joining the joint venture world in Eastern Europe and the Soviet Union.

American companies were responsible for only 3 percent of the acquisitions made by foreigners in Eastern Europe and the Soviet Union during the first three quarters of this year, and only 14 percent of the joint ventures, according to a study by KPMG Peat Marwick and Bloc Magazine, which covers business developments in the area.

This left the United States in third place, behind Germany, with 59 percent of the acquisitions and more than 38 percent of the joint ventures, and France, with 13 percent and 18 percent, respectively.

Some critics argue that Americans are missing an opportunity. But others contend that the environment in Eastern Europe and the Soviet Union is still too difficult to operate in. Laws are unclear, distribution is difficult and, most important, getting profits home, especially from the Soviet Union, is a nettlesome problem.

In addition, the political outlook is still very uncertain, a point driven home last week by the unexpected resignation of Eduard A. Shevardnadze, the Soviet foreign minister.

But the numbers also show — as do some other major joint venture negotiations that are still in progress — that of all the difficult investment environments that American companies might chose, they seem to prefer the biggest and most difficult, the Soviet Union, risk and all.

Of the 34 American joint ventures, 15 are in the Soviet Union. The American participants include Warner Brothers Inc., Arthur Andersen, Ernst & Young, Bechtel Group, Honeywell Inc., Gillette Co., US Sprint and Otis Elevator Inc.

And if the Soviet Union can avoid a descent into anarchy, five other major American companies are waiting to set in motion the largest group venture to date.

These are the five members of the American Trade Consortium, which includes Chevron Corp., Archer-Daniels-Midland Co., RJR Nabisco Inc., Eastman Kodak Co. and Johnson & Johnson. Their point man is James R. Giffen, the chairman of the Mercator Corp., the consortium's merchant bank.

The consortium has been working for years to design a deal that would allow them to bring their profits out of the Soviet Union. So far, without a project in operation, they have spent about $120 million.

While they are wary of recent developments, Mr. Giffen and executives at several of the companies said that some agreements have been signed and others will be ready to be completed early next year.

RJR/Nabisco has joined with the Eritsky factory in Leningrad to make Winston cigarettes and expects to begin manufacturing in the first half of next year. Another agreement has been reached for a biscuit plant outside of Moscow.

The key to the entire venture is Chevron. It is working on a joint production deal with the Soviets on the Tengiz field, northeast of the Caspian Sea. Containing an estimated 25 billion barrels of oil underground, it is the Soviet's largest discovery in 25 years. A Chevron spokesman said the company is in the final stages of negotiation.

The other four companies will be making products to be sold in the Soviet Union, allowing them to tap a vast market while bringing to the public many of the consumer goods that the Soviets lack. These products will be sold for rubles, which normally would make such a venture difficult or unattractive.

But the dollars that the Soviets will earn from selling their share of the oil from the Chevron joint venture will be used to exchange the ruble profits of the other four companies into dollars that can be taken home.

Mr. Giffen is not put off by the troubled transiton process in the Soviet Union. Indeed, he said the problems President Mikhail S. Gorbachev is facing were to be expected.

"The trick of this whole thing," he continued "is the fact that we have not gone forward with any of these joint ventures and that we won't go forward until we can minimize the risk as much as possible."

But he allowed there is an outcome that could scotch the consortium's plans. "We designed this to operate in a planned economy, a market economy and a transition economy," he said. "What it can't operate in is instability."

Euromarts At a Glance

Eurobond Yields

	Dec. 19	Dec. 12
U.S. $ 8 yrs & over	9.07	9.05
U.S. $ 5 to 7 yrs	8.81	8.91
U.S. $, less than 5 yrs	8.32	8.36
Pounds sterling, less than 5 yrs	12.22	12.34
French francs, less than 5 yrs	10.41	10.29
Ital. lira, less than 5 yrs	12.88	12.90
Danish kroner, less than 5 yrs	10.57	10.51
ECU, 8 yrs & over	9.95	9.96
ECU, 5 to 7 yrs	9.88	9.94
Can. $, less than 5 yrs	11.73	11.60
Aust. $, less than 5 yrs	13.20	13.03
N.Z. $, less than 5 yrs	13.71	13.61
Yen, 5 to 7 yrs	7.73	7.73
Yen, less than 5 yrs	7.65	7.67

Source: Luxembourg Stock Exchange.

Weekly Sales

Dec. 20

Primary Market	Cedel $	Cedel NonS	Euroclear $	Euroclear NonS
Straights	2,374.10	1,994.50	5,673.00	1,962.40
Convert.	—	3.50	—	—
FRNs	3,540.50	28.30	4,373.00	627.40
ECP	4,957.80	1,637.80	9,041.80	2,255.20
Total	10,877.40	3,646.10	19,087.80	4,845.00

Secondary Market	Cedel $	Cedel NonS	Euroclear $	Euroclear NonS
Straights	7,291.60	13,725.60	15,582.80	15,768.90
Convert.	278.50	548.70	881.20	571.90
FRNs	3,082.40	1,487.20	4,675.60	4,764.70
ECP	5,183.80	2,224.80	5,994.20	4,517.40
Total	15,837.30	18,006.30	27,133.80	25,622.90

Source: Euroclear, Cedel.

Libor Rates

Dec. 21

	1-month	3-month	6-month
U.S. $	8¼	8 1/16	7⅝
Deutsche mark	9 9/16	9 11/16	9 9/16
Pound sterling	14⅛	13⅞	13⅝
French franc	10 3/16	10½	10⅜
ECU	10½	10½	10 9/16
Yen	8 7/16	8⅛	8 1/16

Sources: Lloyds Bank, Reuters.

U.S. Treasury Bonds

Dec. 21

Maturity	Close Bid	Close Ask	Yield	Wk-ago yield
30.11.92	100 5/32	100 6/32	7.28	7.32
15.11.93	100 24/32	100 26/32	7.45	7.46
30.09.94	102 16/32	102 18/32	7.64	7.63
15.02.96	100 16/32	100 18/32	7.74	7.73
15.10.97	103 22/32	103 26/32	8.02	7.76
15.08.00	102 22/32	102 24/32	8.10	8.03
15.02.10	109 8/32	109 12/32	8.29	8.19
15.08.20	105 4/32	105 6/32	8.28	8.19

Source: Salomon Inc.

U.S. Consumer Rates

Dec. 21

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	n.a.
Money Market Funds	
Donoghue's 7-Day Average	7.17 %
Bank Money Market Accounts	
Bank Rate Monitor Index	5.79 %
Home Mortgage, FHLB average	9.64 %

Source: New York Times Service, UPI.

WALL STREET REVIEW

Figures as of close of trading Friday, December 21.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Citicorp	113383	14¼	13	13½	— ¼
AT&T	108916	31⅝	30⅝	31	+ ⅜
MirHan	108509	24⅝	18⅝	24	+5⅝
PhilMr	97202	51⅞	50	51⅝	+ ½
AmExp	90471	22⅝	20	21	
IBM	90044	114⅜	110⅝	113⅜	+2⅝
GenEl	84437	58⅞	54⅝	58	+2⅝
BnkAm	75559	28¼	23⅝	27½	+3½
USFG	68873	8¼	7½	7⅝	— ½
GnMotr	46777	35½	33⅛	34⅝	+1½
FedNM	45658	35⅝	33⅝	35½	+ ⅞
PepsiCs	63490	26⅞	25⅝	26⅝	+ ⅜
FordM	63057	26⅞	25	26⅝	+1⅛
Exxon	63871	51⅞	50⅝	50⅝	
BrMySq	62667	67⅛	65⅞	67⅛	+ ⅞
Chrysir	61602	14⅝	12⅛	13⅝	+1
WalMts	59526	31⅝	29⅝	31⅛	+1½
Unisys	57555	2⅞	2⅛	2½	— ⅛
ToyRUs	57129	24	22⅞	23½	— ⅛
EKodak	55727	42⅛	41	41⅝	+ ⅛
GTE s	54414	30¼	29⅝	29⅝	— ⅝
Waste	53986	35⅝	34½	35⅝	+ ⅛
Limitd s	52813	18⅝	15⅞	18	+1½
CocaCl s	51461	49	46⅞	48½	+1
Boeing s	50746	46⅝	44	46½	+1⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
EchoBy	18459	8⅝	7½	8⅝	+ ⅛
JanBell	14809	8¼	7⅞	7¾	— ⅛
DowC rt	13587	6½	4½	5⅛	—1¼
ENSCO	15446	2⅝	2⅜	2½	
WangB	13877	2⅞	2⅝	2⅝	— ⅛
viCMAr	13892	2⅝	1⅞	2	
WDigitl	11705	4⅝	4	4½	— ⅛
ChevSh	10443	8	6⅝	7½	+ ⅛
FruitL	10388	8⅝	8	8¼	— ⅛
Alza	9275	58⅝	46⅛	49⅝	+2⅝
Amdahl	8325	14⅝	13⅞	14⅝	+1
MoogInC	7843	4⅝	4⅛	4½	— ⅛
Hasbro	7525	14⅝	14½	15⅛	+ ⅜
AmSwM	7516	5½	5⅛	5½	+ ⅛
NY Tim	7342	21½	19	20⅞	+1⅞
PegGld	6770	12⅝	11⅛	12⅛	+ ⅜
Galoob	6627	1⅞	1⅞	1	— ⅛
BAT In	6582	11½	10⅞	11⅛	— ⅛
A-mtz sc	6507	5⅛	4⅞	4⅞	— ½
SNk 193wt	6484	18⅝	16⅞	17⅛	— ⅝
Hilbav n	6217	1⅝	1½	1⅝	
OMI	6049	5⅝	4⅞	5⅛	+ ⅛
TubMex	5949	7⅝	6⅞	7⅝	+ ⅛
RhnP rt	5845	9¼	7⅛	7⅝	—1½
BolrPh	5834	2½	2	2⅝	— ⅛

NYSE Sales

	Sales Vol.
Total for week	883,500,000
Week ago	779,400,000
Year ago	843,500,000
Two years ago	702,840,000
Jan 1 to date	40,205,157,000
1989 to date	41,297,890,000
1988 to date	40,336,340,000

AMEX Sales

	Sales Vol.
Total for week	64,700,000
Week ago	53,870,000
Year ago	64,040,000
Jan 1 to date	3,274,300,000
1989 to date	3,072,500,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1014	1291
Declined	908	634
Unchanged	290	272
Total Issues	2212	2197
New Highs	61	40
New Lows	152	118

AMEX Diaries

	This Wk	Last Wk
Advanced	375	454
Declined	445	321
Unchanged	186	206
Total Issues	1006	981
New Highs	26	17
New Lows	115	95

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, December 21.

Option & price		Calls Dec	Calls Jan	Puts Dec	Puts Jan
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total Volume: 495,822
Open Interest: 5,494,928
r—Not traded. s—None offered. o—Old.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, December 21.

Option & price		Calls Dec	Calls Jan	Puts Dec	Puts Jan
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total Volume: 203,193
Open Interest: 2,474,747
r—Not traded. s—None offered. o—Old.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, December 21.

(Continued)

	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MONDAY SPORTS

Duke Halts Oklahoma's 51-Game Home Winning Streak

The Associated Press

It took ninth-ranked Duke a while to stop Oklahoma's three-point parade, but once that was accomplished, the Blue Devils stopped the Sooners' 51-game home winning streak.

"The defense of the three-point shot in the second half I thought was the key," Duke's coach, Mike Krzyzewski, said after the 90-85 victory Saturday in Norman, Oklahoma.

Oklahoma (8-2), ranked 11th, made seven three-pointers in the first half — five by Terry Evans — but missed all nine tries in the second half.

"What we were just trying to do was keep them a little bit farther out or make them have to work just a little bit more to get their shots," Krzyzewski said.

Oklahoma's last home loss was to Kansas State in the final regular-season game of 1987. The home winning streak matched Arizona's as the longest in the nation.

"I thought we left a lot to be desired defensively," said Oklahoma's coach, Billy Tubbs. "A lot of things broke down, but I think our defense broke down the most."

Grant Hill and Christian Laettner scored 19 points apiece, Thomas Hill had 16 and

COLLEGE BASKETBALL

Bobby Hurley 13 as Duke (8-2) overcame a five-point halftime deficit. The Blue Devils also had a 39-29 rebounding edge.

Jeff Webster, who scored 32 points for Oklahoma, had 22 of the Sooners' 35 second-half points.

No. 1 UNLV 101, Florida St. 69: In Las Vegas, Anderson Hunt scored 21 points to lead UNLV, which blew the game open early in the second half. The Runnin' Rebels (5-0) led by as many as 46 points midway through the second half. Aubry Boyd scored 12 points to lead Florida State (4-3).

No. 2 Arkansas 71, Oregon 68: In Eugene, Oregon, Lee Mayberry scored all 12 of his points in the second half and made a game-clinching steal in the final seconds. Todd Day led the Razorbacks (9-1) with 22 points but missed two of three free throws in the last 12 seconds. Oregon fell to 3-5.

No. 3 Syracuse 110, Illinois-Chicago 66: In Syracuse, New York, a full-court press sent Syracuse (11-0) on a 21-2 surge in the first half, as the Orangemen rolled over previously unbeaten Illinois-Chicago (7-1). Dave Johnson had 26 points for Syracuse.

Iowa 88, No. 5 UCLA 71: In Iowa City, Acie Earl scored 18 of his 30 points in the second half and Iowa (9-1) slowed down UCLA's running game to win its eighth straight game. The Bruins (8-1) had averaged 109 points coming in to the game.

No. 7 Ohio St. 71, No. 12 Georgetown 60: Playing in Las Vegas, Ohio State (8-0) passed its first real test of the season. Georgetown (6-2) was playing without its leading scorer, Alonzo Mourning, who is out with a foot injury.

No. 8 N. Carolina 86, Purdue 74: Rick Fox scored 18 of his 22 points in the second half of the game in West Lafayette, Indiana. North Carolina (7-1) turned up the defensive pressure after breaking out of a 58-58 tie, holding Purdue (7-2) scoreless for 5½ minutes.

Illinois 102, No. 10 LSU 96: In Champaign, Illinois, freshman Rennie Clemons scored 17 second-half points, including a crucial three-point play with 50 seconds left. LSU dropped to 6-2.

No. 13 St. John's 74, Fordham 62: In New York, Malik Sealy scored 25 points as St. John's (9-0) beat its rival for the 22d consecutive time. Fordham (6-4), which committed 24 turnovers, was led by Fred Herzog's 14 points.

No. 14 Pittsburgh 88, Toledo 68: In Pittsburgh, Jason Matthews and Brian Shorter scored 13 points each and all five starters were in double figures as Pitt (9-1) won its fifth consecutive game. Toledo (7-3) was led by Keith Wade's 21 points.

No. 16 S. Carolina 73, St. Joseph's 61: In Columbia, South Carolina, Joe Rhett scored 17 points, including 13 in the second half, for the Gamecocks' (8-1) seventh consecutive victory. St. Joseph's (1-6) lost its fifth straight game.

No. 17 Georgia 79, No. 23 Texas 71: Marshall Wilson scored 24 points and Litterial Green 21, and Georgia (7-2) forced 24 turnovers in the game in Atlanta. Texas (4-3) played the second half without its leading scorer, Joey Wright, who sprained an ankle in the first half.

No. 21 E. Tennessee St. 90, Cincinnati 79: In Cincinnati, Keith Jennings scored 19 points to lead East Tennessee State (8-1), which fell behind 10-0 in the first four minutes. But the winners hit 12 of 24 three-point shots.

No. 22 Nebraska 88, Miami, Ohio 73: In Lincoln, Nebraska, reserve Tony Farmer scored a career-high 24 points and keyed a late first-half comeback as Nebraska (10-1) won its eighth straight game and matched its victory total for all of last season.

UNLV Prepares Response To NCAA's Latest Inquiry

The Associated Press

LAS VEGAS — Officials at the University of Nevada-Las Vegas say they are optimistic as they prepare to answer an NCAA letter of inquiry alleging more recruiting violations.

"The breadth and the depth of the documentation we're being asked to prodnce is hefty," UNLV's legal counsel, Brad Booke, said, referring to the 43-page letter of inquiry last week from the National Collegiate Athletic Association. "But I am confident that with everyone's cooperation we can prepare our case on time."

The Runnin' Rebels already are banned from postseason play in 1992 to compensate for a 1977 penalty. The NCAA now alleges 29 violations dating from the mid-1980s. The major focus of the latest investigation stems from the university's recruitment of a former New York prep star, Lloyd Daniels. Daniels was dropped after an arrest at a crack cocaine house and never played for the team.

Meanwhile, some media outlets protested that the letter of inquiry was heavily edited by UNLV officials before it was released Thursday. Names of athletes, boosters, coaches and school officials were removed. The university general counsel, Donald Klasic, defended the censoring, saying the allegations had not been proven.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct	GB
Boston	21	4	.840	—
Philadelphia	18	8	.692	3½
New York	12	13	.480	9
New Jersey	10	15	.400	11
Washington	10	15	.400	11
Miami	5	19	.208	15½

Central Division

	W	L	Pct	GB
Milwaukee	18	8	.692	—
Chicago	17	9	.654	1
Detroit	16	10	.615	2
Atlanta	12	12	.500	5
Cleveland	11	16	.407	7½
Indiana	10	17	.370	8½
Charlotte	8	16	.333	9

WESTERN CONFERENCE

Midwest Division

	W	L	Pct	GB
San Antonio	17	6	.739	—
Utah	17	9	.654	1½
Houston	15	11	.577	3½
Dallas	9	14	.391	8
Minnesota	7	17	.292	10½
Denver	5	19	.208	12½
Orlando	5	22	.185	14

Pacific Division

	W	L	Pct	GB
Portland	23	3	.885	—
Phoenix	15	9	.625	7
LA Lakers	14	9	.609	7½
Golden State	15	10	.600	7½
Seattle	10	13	.435	11½
LA Clippers	10	15	.400	12½
Sacramento	6	17	.261	15½

FRIDAY'S RESULTS

Charlotte 27 26 22 29—114
Indiana 37 31 39 30—137
Newman 9-15 3-4 21, Gilliam 7-12 4-5 18; Person 14-19 6-8 34, Fleming 9-9 8-8 26. Rebounds: Charlotte 45 (Reid 8), Indiana 42 (Thompson 8). Assists: Charlotte 26 (Bogues 11), Indiana 35 (Fleming, Miller 6).

Philadelphia 35 24 36 31—126
Miami 31 23 19 29—102
Barkley 5-10 14-14 25, Hawkins 8-16 7-8 25, Green 7-10 4-4 18; Rice 10-17 5-6 25, Douglas 8-10 4-6 20. Rebounds: Philadelphia 59 (Gminski 12), Miami 46 (Seikaly 9). Assists: Philadelphia 24 (Turner 6), Miami 24 (Douglas 12).

Cleveland 24 31 23 25—103
New Jersey 22 26 34 29—111
Nance 9-18 4-6 22, Dougherty 6-20 8-9 20; Theus 8-16 6-7 22, Coleman 6-14 4-6 17, Gervin 6-12 0-4 17. Rebounds: Cleveland 51 (Nance 9), New Jersey 48 (Morris, Coleman 8). Assists: Cleveland 15 (Kerr 4), New Jersey 24 (Blaylock, Theus 7).

LA Lakers 33 19 33 18—103
Chicago 36 20 34 24—114
Worthy 10-21 1-1 21, Perkins 7-12 4-4 20; Jordan 14-30 5-6 33, Pippen 13-17 2-2 28. Rebounds: Los Angeles 41 (Johnson 9), Chicago 48 (Jordan 15). Assists: Los Angeles 22 (Johnson 14), Chicago 34 (Pippen, Jordan 9).

New York 23 22 22 18—85
Washington 28 22 20 17—87
Ewing 9-13 2-8 20, Oakley 5-10 2-2 12, Starks 6-12 0-1 12; Workman 8-13 5-6 21, Grant 10-16 0-0 20. Rebounds: New York 46 (Oakley 12), Washington 46 (Grant, King, Jones, D.Walker, Workman 6). Assists: New York 18 (Starks 6), Washington 22 (Grant, D.Walker 6).

Atlanta 26 24 17 20—87
Detroit 31 25 28 29—113
Battle 8-11 6-7 22, Wilkins 7-15 3-5 17; Edwards 9-15 5-5 24, Dumars 9-17 6-6 24, Aguirre 6-11 1-2 13. Rebounds: Atlanta 45 (Wilkins 7), Detroit 51 (Rodman 11). Assists: Atlanta 14 (Robinson, Wilson 3), Detroit 36 (Thomas 13).

Milwaukee 22 22 19 25—89
Dallas 26 26 20 31—103
Pierce 7-17 4-6 20, Robertson 8-13 1-1 17; Blackman 10-19 5-5 27, White 10-20 0-0 20. Rebounds: Milwaukee 43 (Robertson 9), Dallas 51 (Donaldson 11). Assists: Milwaukee 25 (Robertson 5), Dallas 32 (Harper 11).

San Antonio 29 30 22 35 16—132
Phoenix 29 28 34 25 12—128
Robinson 12-17 10-13 34, Cummings 12-22 3-4 27; Johnson 9-16 16-18 34, Chambers 11-23 7-8 30. Rebounds: San Antonio 54 (Robinson 15), Phoenix 50 (Chambers 12). Assists: San Antonio 31 (Strickland 6), Phoenix 31 (Johnson 16).

Portland 22 31 42 22—117
LA Clippers 24 29 21 33—107
Drexler 8-17 6-7 24, Kersey 8-13 3-4 19; Kimble 9-18 3-5 24, Manning 8-11 5-6 21. Rebounds: Portland 55 (Duckworth 10) Los Angeles 60 (Norman 12). Assists: Portland 26 (Drexler, Ainge 6), Los Angeles 30 (Grant 12).

SATURDAY'S RESULTS

Washington 29 30 24 26—109
Cleveland 25 22 25 17— 89
King 20-30 6-6 46, Grant 12-24 0-0 24; Dougherty 9-16 2-4 20, Nance 7-14 2-2 16. Rebounds: Washington 50 (Ellison 11), Cleveland 49 (Dougherty 13). Assists: Washington 35 (Workman 9), Cleveland 27 (Nance, Valentine 6).

New Jersey 27 23 24 19— 93
New York 22 31 27 26—106
Coleman 11-21 8-9 30, Blaylock 8-15 3-6 20, Gervin 9-15 1-2 20; Ewing 11-21 3-5 25, Oakley 7-10 9-10 23. Rebounds: New Jersey 48 (Coleman 16), New York 49 (Oakley 15). Assists: New Jersey 14 (Theus 4), New York 28 (Jackson 12).

Detroit 27 19 21 32— 99
Philadelphia 23 20 25 38—106
Thomas 12-26 6-6 30, Dumars 7-14 5-5 19; Green 8-14 9-9 25, Barkley 8-14 5-10 22. Rebounds: Detroit 48 (Rodman 11), Philadelphia 52 (Barkley 12). Assists: Detroit 19 (Thomas 7), Philadelphia 17 (Barkley, Green, Hawkins, Turner 3).

Phoenix 23 36 19 34—102
Houston 23 31 33 35—122
Ceballos 12-20 3-4 27, Chambers 6-15 6-7 18; Olajuwon 11-20 2-2 24, Floyd 10-16 3-4 24, Thorpe 7-15 1-7 15. Rebounds: Phoenix 45 (McDaniel 8), Houston 69 (Olajuwon 19). Assists: Phoenix 25 (Hornacek 6), Houston 34 (Floyd 9).

Utah 26 23 23 32—104
Orlando 22 22 23 29— 96
K.Malone 13-22 8-10 34, J.Malone 9-17 3-4 21; Skiles 13-25 5-5 34, Catledge 9-23 11-14 29. Rebounds: Utah 51 (K.Malone 14), Orlando 51 (Catledge 7). Assists: Utah 33 (Stockton 15), Orlando 21 (Skiles 6).

Milwaukee 25 32 34 23—114
San Antonio 33 24 26 15— 98
Pierce 8-12 3-4 20, Humphries 6-10 2-3 16; Robinson 10-16 5-7 25, W.Anderson 9-16 2-2 21. Rebounds: Milwaukee 44 (Schayes 9), San Antonio 37 (Robinson 8). Assists: Milwaukee 27 (Humphries 9), San Antonio 22 (Strickland 6).

Indiana 30 31 31 26—118
Chicago 44 25 31 28—128
Person 12-20 0-2 25, Fleming 10-19 5-5 25, Schrempf 6-10 8-10 20; Jordan 10-20 9-12 29, Paxson 10-13 0-0 23. Rebounds: Indiana 41 (Person 10), Chicago 66 (Pippen, Cartwright 10). Assists: Indiana 29 (Fleming 7), Chicago 34 (Pippen 11).

Dallas 33 25 18 43—119
Denver 25 25 33 27—110
English 9-17 2-2 20, McCray 3-7 8-10 14; Adams 9-22 7-8 27, Liberty 9-14 1-2 19. Rebounds: Dallas 53 (McCray 13), Denver 56 (Rasmussen 13). Assists: Dallas 22 (McCray 7), Denver 20 (Adams 13).

Sacramento 19 14 27 33— 93
Seattle 32 27 33 29—121
Simmons 9-16 0-0 18, Tisdale 6-15 3-3 15; Johnson 10-17 5-5 25, Ellis 8-14 0-1 16. Rebounds: Sacramento 49 (Sampson 16), Seattle 54 (Polynice 11). Assists: Sacramento 21 (Mays 4), Seattle 26 (McMillan 9).

Minnesota 30 20 27 25—102
Golden State 27 26 28 34—115
Glass 10-17 4-4 24, Richardson 9-21 1-4 19; Mullin 15-20 9-9 39, Richmond 13-25 6-6 32. Rebounds: Minnesota 53 (Corbin 10), Golden State 45 (Hill 8). Assists: Minnesota 21 (Richardson 12), Golden State 26 (Hardaway 8).

Major College Scores

FRIDAY'S SCORES

EAST

Providence 79, Manhattan 77

SOUTH

Alabama 62, Tn.-Chattanooga 58
E. Kentucky 80, N.C.-Wilmington 64
Kentucky 84, W. Kentucky 70
N.C. Charlotte 118, West Virginia 103

MIDWEST

Indiana 87, Iowa St. 76
Northwestern 74, Morgan St. 66
St. Louis 80, W. Illinois 76, OT

FAR WEST

Arizona St. 100, S. Utah 71
Idaho 71, W. Oregon 39
Nevada 74, Alaska-Anchorage 73
Stanford 86, Florida 74
Stetson 77, Brigham Young 75
Washington St. 95, Jackson St. 80

SATURDAY'S SCORES

EAST

Army 70, Marist 61
Colgate 76, Harvard 75
Fairleigh Dickinson 106, Cent. Connecticut St. 81
George Washington 88, Virginia Tech 78
Hartford 80, Rhode Island 70
Hofstra 76, St. Francis, NY 74
La Salle 102, Villanova 94
Loyola, Md. 88, Md.-Baltimore County 65
Niagara 55, St. Peter's 50
Pittsburgh 88, Toledo 68
Robert Morris 85, Duquesne 81
Seton Hall 90, Rutgers 76
Siena 78, Brooklyn Col. 59
St. John's 74, Fordham 62
Syracuse 110, Ill.-Chicago 66

SOUTH

East Carolina 83, Radford 74
Furman 88, S. Carolina St. 73
Georgia 79, Texas 71
Georgia St. 92, N. Arizona 76
Georgia Tech 135, Loyola Marymount 94
Louisville 85, George Mason 80
Maryland 64, Lafayette 48
N. Carolina St. 99, N.C.-Asheville 60
SW Louisiana 87, Texas Southern 70
South Alabama 74, James Madison 65
South Carolina 73, St. Joseph's 61
South Florida 82, Old Dominion 75, OT
Tennessee Tech 107, W. Carolina 87
Vanderbilt 68, Southern Meth. 65
Wake Forest 82, Richmond 56
William & Mary 92, Va. Wesleyan 73

MIDWEST

Akron 79, W. Michigan 58
Alcorn St. 78, NE Illinois 70
Butler 84, Ball St. 77
Dayton 91, Bradley 81
Detroit 81, N. Iowa 79
E. Michigan 100, Boston U. 54
E. Tennessee St. 90, Cincinnati 79
Evansville 76, Samford 49
Illinois 102, LSU 96
Iowa 88, UCLA 71
Kansas 101, Texas-San Antonio 69
Kent St. 69, Illinois St. 53
Loyola, Ill. 89, Bethune-Cookman 66
Michigan 89, Marquette 81
Mississippi St. 82, Drake 80, OT
Missouri 90, Grambling St. 51
Nebraska 88, Miami, Ohio 73
North Carolina 86, Purdue 74
Notre Dame 84, Portland 61
SW Missouri St. 67, Indiana St. 62
St. Louis 93, Northwestern 77
Tennessee St. 93, Chicago St. 83
UC Santa Barbara 81, Kansas St. 78
W. Illinois 78, Morgan St. 66
Wisconsin 105, Texas-Arlington 74
Xavier, Ohio 83, Winthrop 53

SOUTHWEST

Duke 90, Oklahoma 85
Rice 78, SW Texas St. 69
Tulane 91, Texas-Pan American 79

FAR WEST

American U. 70, Santa Clara 69
Arizona St. 107, Montana St. 74
Arkansas 71, Oregon 68
Brigham Young 62, Tulsa 60
E. Washington 73, San Diego 69
Fullerton St. 84, Chapman 66
Idaho 73, Jackson St. 64
New Mexico St. 79, Texas Tech 58
Ohio St. 71, Georgetown 60
Ohio U. 62, Colorado St. 51
Oregon St. 82, Tennessee 66
Pacific U. 66, Texas Christian 60
Pepperdine 73, Jacksonville 69
San Jose St. 79, Idaho St. 70
Southern Cal 90, Augusta 63
St. Mary's, Cal. 80, Weber St. 69
UC Irvine 98, California 88
UNLV 101, Florida St. 69
Utah 95, Wichita St. 48
Washington 72, Minnesota 61

TOURNAMENTS

Golden Panther Holiday Classic
Championship
Clemson 99, Florida Atlantic 89
Third Place
Coppin St. 99, Fla. International 72

Hawaii Pre-Holiday Tournament
Championship
Hawaii 108, North Texas 100
Third Place
Wagner 96, Appalachian St. 95, 2OT

MetLife Classic
Championship
San Francisco 87, Utah St. 79
First Round
San Francisco 77, Vermont 73
Utah St. 64, Air Force 63
Third Place
Vermont 50, Air Force 40

Old Style Classic
Championship
S. Illinois 78, Wis.-Green Bay 64
Third Place
Oklahoma St. 72, DePaul 70
First Round
S. Illinois 85, Oklahoma St. 73
Wis.-Green Bay 57, DePaul 56

Texaco Star Classic
Championship
Lamar 71, San Diego St. 70
Third Place
Arkansas St. 86, Drexel 72
First Round
Lamar 99, Drexel 85
San Diego St. 59, Arkansas St. 57

USAir Classic
Championship
Wright St. 79, Murray St. 76
Third Place
Stephen F.Austin 98, U.S. International 56
First Round
Murray St. 103, U.S. International 55
Wright St. 90, Stephen F.Austin 83

YSU Greater Holiday Classic
Championship
Delaware St. 104, Youngstown St. 86
Third Place
Alabama St. 67, Liberty 59
First Round
Delaware St. 96, Liberty 73
Youngstown St. 89, Alabama St. 87

Chaminade Christmas Classic
First Round
Va. Commonwealth 102, Chaminade 72
Ala.-Birmingham 71, St. Francis, Pa. 68

FOOTBALL

NFL Results

SATURDAY'S GAMES

Detroit 24, Green Bay 17
L. A. Raiders 28, Minnesota 24
Indianapolis 35, Washington 28

SUNDAY'S GAMES

Houston at Cincinnati
Cleveland at Pittsburgh
Dallas at Philadelphia
Miami at Buffalo
New England at New York Jets
Los Angeles Rams at Atlanta
Tampa Bay at Chicago
Kansas City at San Diego
New Orleans at San Francisco
New York Giants at Phoenix
Denver at Seattle

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division

	W	L	T	Pts	GF	GA
NY Rangers	20	13	5	45	142	116
Philadelphia	19	17	4	42	130	126
New Jersey	18	13	6	42	145	124
Pittsburgh	18	16	3	39	154	138
Washington	18	19	1	37	124	119
NY Islanders	12	18	4	28	96	120

Adams Division

	W	L	T	Pts	GF	GA
Boston	20	11	5	45	124	112
Montreal	17	16	4	38	115	115
Hartford	15	17	4	34	100	117
Buffalo	11	16	7	29	103	115
Quebec	8	22	7	23	102	158

CAMPBELL CONFERENCE

Norris Division

	W	L	T	Pts	GF	GA
Chicago	24	12	2	50	125	98
St. Louis	21	9	5	47	124	93
Detroit	19	14	4	42	136	127
Minnesota	10	21	6	26	106	126
Toronto	10	25	2	22	101	149

Smythe Division

	W	L	T	Pts	GF	GA
Calgary	20	13	4	44	150	119
Los Angeles	18	11	5	41	140	113
Vancouver	17	17	3	37	118	128
Edmonton	14	17	2	30	108	108
Winnipeg	10	22	7	27	123	146

SATURDAY'S RESULTS

Toronto 2 0 3—5
Washington 1 1 0—2
Shedden (5), Joyce (2), Millar (1), Zezel (6), Ramage (7), Ellett (7), Reid (11). Shots on goal—Toronto (on Beaupre) 8-6-10—24. Washington (on Ing) 11-6-4—21.

Pittsburgh 0 3 1—4
N.Y. Islanders 1 1 1—3
Flatley (9), Chynoweth (1), Stevens (21), Bourque (12), Zalapski (8), Wood (12), Errey (9). Shots on goal—Pittsburgh (on Healy) 8-14-7—29. New York (on Barrasso) 17-9-10—36.

New Jersey 2 1 1—4
Quebec 0 0 1—1
Lemieux (14), Maley (4), Stastny (11), Shanahan (15), Lafleur (5). Shots on goal—New Jersey (on Tugnutt) 12-9-6—27. Quebec (on Burke) 6-8-13—27.

Minnesota 0 0 2—2
Boston 1 4 1—6
Lazaro (2), Christian (15), Neely (19), Galley (5), Burridge (11), Ruzicka (4), Modano (10), Bellows (11). Shots on goal—Minnesota (on Moog) 12-11-10—33. Boston (on Hayward, Casey) 6-15-14—35.

Philadelphia 0 0 0—0
Hartford 0 0 1—1
Brown (7). Shots on goal—Philadelphia (on Reaugh) 4-14-8—26. Hartford (on Wregget) 5-7-10—22.

Detroit 2 2 1—5
Winnipeg 1 1 0—2
Yzerman (23), Sykes (7), Housley (10), Carson (12), Ysebaert (6). Shots on goal—Detroit (on Beauregard, Essensa) 8-10-8—26. Winnipeg (on Cheveldae) 8-5-11—24.

N.Y. Rangers 0 0 1—1
Montreal 0 3 0—3
McPhee (4), Pederson (8), Chorske (7), Sheppard (16). Shots on goal—New York (on Racicot) 5-9-15—29. Montreal (on Richter) 12-14-11—37.

Edmonton 3 1 2—6
Calgary 0 0 2—2
Murphy (14), MacTavish (6), Smith (8), Johansson (2), Reichel (12), Joseph (3). Shots on goal—Edmonton (on Vernon) 14-7-8—29. Calgary (on Ranford) 11-11-15—37.

Los Angeles 3 0 0—3
Vancouver 1 2 1—4
Odjick (4), Benning (3), Donnelly (1), Tenelli (6), Lumme (4), Adams (9), Guy (1). Shots on goal—Los Angeles (on Gamble, McLean) 8-5-14—27. Vancouver (on Hrudey) 12-7-7—26.

Chicago 0 0 0—0
St. Louis 3 2 0—5
R.Wilson (5), MacLean (4), Oates (5), Lowry (8). Shots on goal—Chicago (on Riendeau) 9-5-6—20. St. Louis (on Belfour) 15-12-11—38.

Izvestia Tournament

Round-Robin

	W	L	T	GF	GA	Pts
x-Soviet Union	3	0	1	19	5	7
Sweden	2	1	1	8	10	5
Czechoslovakia	1	2	1	8	10	3
Finland	1	2	1	10	14	3
Canada	1	3	0	9	16	2

x-won title

FRIDAY'S RESULTS

Finland 2, Sweden 2, tie
Soviet Union 2, Czechoslovakia 2, tie

SOCCER

ENGLISH FIRST DIVISION

Chelsea 2, Coventry 1
Liverpool, 3 Southampton 2
Manchester City, 0 Crystal Palace 2
Norwich 1, Everton 0
Sheffield United 3, Nottingham Forest 2
Tottenham 2, Luton 1
Wimbledon 1, Manchester United 3
Derby County 1, Queen's Park Rangers 1
Aston Villa 0, Arsenal 0
Sunderland 0, Leeds 1

Standings: Liverpool 44 points; Arsenal 38; Crystal Palace 36; Tottenham and Leeds United 33; Chelsea 29; Manchester United 28; Manchester City and Norwich 26; Wimbledon 25; Nottingham Forest 21; Luton 20; Aston Villa 19; Derby County 17; Southampton 16; Everton and Sunderland 15; Coventry 14; Queen's Park Rangers 13; Sheffield United 7.

FRENCH FIRST DIVISION

Auxerre 0, Cannes 3
Caen 0, Marseille 0
Montpellier 2, Monaco 1
Lille 0, Bordeaux 0
Lyon 4, Toulouse 1
Rennes 3, Brest 0
Nice 2, St Etienne 0
Metz vs. Nantes ppd.
Nancy vs. Sochaux ppd.

Standings: Marseille 31 points; Auxerre 27; Monaco 26; Montpellier 23; Caen 22; Nantes, Lyon and Lille 21; Cannes and Metz 20; Bordeaux 19; Brest, Paris St Germain, Nice and Nancy 18; Sochaux, Toulon and Rennes 17; St Etienne and Toulouse 16.

DUTCH FIRST DIVISION

FC Utrecht 2, Feyenoord Rotterdam 0
SVV Schiedam 4, FC Den Haag 2
FC Volendam 0, NEC Nijmegen 0
FC Groningen 2, MVV Maastricht 1
Vitesse Arnhem 1, Roda JC Kerkrade 3
Fortuna Sittard 1, SC Heerenveen 0
Willem II Tilburg 4, RKC Waalwijk 2
FC Twente Enschede 0, PSV Eindhoven 2

Standings: PSV Eindhoven 25 points; Ajax Amsterdam 22; FC Groningen 21; FC Den Haag 18; Fortuna Sittard 17; Vitesse Arnhem and FC Utrecht 16; Roda JC Kerkrade 14; Feyenoord Rotterdam, Willem II Tilburg, RKC Waalwijk, FC Volendam and SVV Schiedam 13; Sparta Rotterdam and FC Twente Enschede 12; MVV Maastricht and NEC Nijmegen 11; SC Heerenveen 6.

EUROPEAN CHAMPIONSHIP

Group Three

Qualifying

Saturday's Result

Italy 4, Cyprus 0

EUROPEAN SOCCER PLAYER OF THE YEAR

Winners of the Golden Ball, awarded by the magazine France Football:

1990-Lothar Matthäus, Internazionale of Milan
1989-Marco Van Basten, AC Milan
1988-Marco Van Basten, AC Milan
1987-Ruud Gullit, AC Milan
1986-Igor Belanov, Dynamo Kiev
1985-Michel Platini, Juventus of Turin
1984-Michel Platini, Juventus of Turin
1983-Michel Platini, Juventus of Turin
1982-Paolo Rossi, Juventus of Turin
1981-Karl-Heinz Rummenigge, Bayern Munich
1980-Karl-Heinz Rummenigge, Bayern Munich
1979-Kevin Keegan, Hamburg SV
1978-Kevin Keegan, Hamburg SV
1977-Allan Simonsen, Mönchengladbach
1976-Franz Beckenbauer, Bayern Munich
1975-Oleg Blokhin, Dynamo Kiev
1974-Johan Cruyff, Barcelona
1973-Johan Cruyff, Barcelona
1972-Franz Beckenbauer, Bayern Munich
1971-Johan Cruyff, Ajax Amsterdam
1970-Gerd Muller, Bayern Munich
1969-Gianni Rivera, AC Milan
1968-George Best, Manchester United
1967-Florian Albert, Ferencvaros
1966-Bobby Charlton, Manchester United
1965-Eusebio, Benfica of Lisbon
1964-Denis Law, Manchester United
1963-Lev Yashin, Dynamo Moscow
1962-Josef Masopust, Dukla Prague
1961-Omar Sivori, Juventus of Turin
1960-Luis Suarez, Barcelona
1959-Alfredo Di Stefano, Real Madrid
1958-Raymond Kopa, Real Madrid
1957-Alfredo Di Stefano, Real Madrid
1956-Stanley Matthews, Blackpool

SKIING

World Cup

MEN

Results in Saturday's Slalom at Kranjska Gora, Yugoslavia (best times in parentheses): 1. Ole Christian Furuseth, Norway, (52.79 seconds-54.01 seconds) 1 minute, 46.80 seconds; 2. Tomas Fogdoe, Sweden, (52.26-54.69) 1:46.95; 3. Thomas Stangassinger, Austria, (53.12-54.79) 1:47.91; 4. Marc Girardelli, Luxembourg, (53.36-54.57) 1:47.93; 5. Tetsuya Okabe, Japan, (54.28-54.87) 1:1:49.15; 6. Guenther Mader, Austria, (55.11-54.79) 1:49.90; 7. Armin Bittner, Germany (54.83-55.30) 1:50.12; 8. Mats Ericsson, Sweden, (55.11-55.03) 1:50.14; 9. Paul Accola, Switzerland, 54.74-55.62) 1:50.36; 10. Michael von Gruenigen, Switzerland, (55.50-55.14) 1:50.64.

World Cup Slalom Standings: 1. Furuseth, 73; 2. Fogdoe, 50; 3. Girardelli, 46; 4. Alberto Tomba, Italy, 40; 5. Stangassinger, 37; 6. Peter Roth, Germany, 34; 7. Michael Tritscher, Austria, 31; 8. Bittner, 26; 9. Bernhard Gstrein, Austria, 25; (tie) Ladstaetter, 25.

Overall World Cup Standings after 11 events: 1. Tomba, 97 points; 2. Furuseth, 88; 3. Girardelli, 78; 4. Franz Heinzer, Switzerland, 76; 5. Atle Skaardal, Norway, 52; 6. Franck Piccard, France, 51; 7. Fogdoe, 50; 8. Fredrik Nyberg, Sweden, 47; 9. Rudolf Nierlich, Austria, 46; 10. Urs Kaelin, Switzerland, 44.

WOMEN

Results in Saturday's Slalom at Morzine, France (best times in parentheses): 1. Blanca Fernandez-Ochoa, Spain (44.88 seconds-43.58 seconds) 1 minute, 27.46 seconds; 2. Pernilla Wiberg, Sweden, (45.04-43.57), 1:28.61; 3. Vreni Schneider, Switzerland, (45.47-43.25), 1:28.72; 4. Florence Masnada, France, (45.71-43.91), 1:29.62; 5. Karin Buder, Austria, (45.38-44.46), 1:29.84; 6. Christine von Grueningen, Switzerland, (45.32-44.53), 1:29.85; 7. Anita Wachter, Austria, 46.12-44.07), 1:30.19; 8. Kristina Andersson, Sweden, (45.68-44.92), 1:30.60; 9. Veronika Sarec, Yugoslavia, (46.18-44.76), 1:30.94; 10. Anne Berge, Norway, (46.78-45.05), 1:31.80.

Combined Standings (Downhill and Slalom): 1. Stoeckl, 50.41 points; 2. Masnada, 50.50; 3. Sabine Ginther, Austria, 52.80; 4. Wachter, 57.26; 5. Chantal Bournissen, Switzerland, 57.40; 6. Stefanie Schuster, Austria, 67.87; 7. Michaela Gerg, Germany, 69.87; 8. Anja Haas, Austria, 75.06; 9. Lucia Medzihradska, Czechoslovakia, 75.39; 10. Miriam Vogt, Germany, 77.03.

World Cup Slalom Standings after two races: 1. Fernandez-Ochoa, 34; 2. Petra Kronberger, Austria, 25; 3. Buder, 22; 4. Ingrid Salvenmoser, Austria, 20; (tie) Wiberg, 20.

Overall World Cup Standings after seven events and a combined): 1. Kronberger, 140 points; 2. Bournissen, 57; 3. Wachter, 47; 4. Sigrid Wolf, Austria, 45; 5. Katrin Gutensohn-Knopf, Germany, 44; (tie) Carole Merle, France, 44; 7. Fernandez-Ochoa, 40; 8. Ginther, 38; 9. Schneider, 35; (tie) Wiberg, 35.

TRANSACTIONS

BASEBALL

American League

OAKLAND—Said they will not offer contracts to Jim Corsi and Dave Otto, pitchers, and Steve Howard, outfielder.

National League

NEW YORK—Named Jerry Koosman minor-league pitching instructor. Signed Kelvin Torve, first baseman, and Orlando Mercado, catcher. Said they will not offer a contract to Jeff Musselman, pitcher.

SAN DIEGO—Signed Larry Andersen, pitcher, to a two-year contract. Said they will not offer a contract to Pat Clements, pitcher.

SAN FRANCISCO—Said they will not offer a contract to Gary Eave, pitcher.

BASKETBALL

National Basketball Association

NBA—Suspended Pervis Ellison, Washington center, and Rik Smits, Indiana center, for one game and fined them $7,500 each for fighting in a game Dec. 19. Fined Darrell Walker, Washington guard, $7,500 for not going to dressing room immediately and verbally abusing an official after the game.

BOSTON—Signed Derek Smith, forward, for remainder of season.

GOLDEN STATE—Waived Mike Smrek, center. Activated Les Jepsen, center, from injured list.

INDIANA—Signed Reggie Miller, guard, to five-year contract extension.

ORLANDO—Activated Sam Vincent, guard, from injured list. Waived Howard Wright, guard.

FOOTBALL

National Football League

ATLANTA—Claimed Bobby Houston, linebacker, off waivers from Green Bay. Released Rickey Royal, defensive back.

GREEN BAY—Put Chuck Cecil, safety, on injured reserve. Signed Craig Hudson, tight end.

NEW ENGLAND—Put Jamie Morris, running back, on injured reserve. Claimed Tim Gordon, safety, off waivers from Atlanta.

NEW YORK JETS—Put Joe Kelly, linebacker, on injured reserve.

PHILADELPHIA—Activated Mike Pitts, defensive tackle, from injured reserve. Waived David Bailey, defensive end.

SAN FRANCISCO—Activated Keith Henderson, fullback, from injured reserve. Waived Bruce Plummer, safety.

World League of American Football

BIRMINGHAM FIRE—Named Chan Galley coach.

MONTREAL MACHINE—Named Roger Dore president.

HOCKEY

National Hockey League

LOS ANGELES—Said that Frank Breault, right wing, will miss remainder of the season due to reconstructive knee surgery.

PITTSBURGH—Traded Rob Brown, right wing, to Hartford for Scott Young, right wing.

SOCCER

National Professional Soccer League

CHICAGO—Signed Larry Sunderland, defender, to 10-day contract. Allowed 10-day contract of Jimmy Ruiz, defender, to expire.

COLLEGE

FLORIDA STATE—Said that Eric Gibbs, tackle; Jason Pierce and Brooks Akins, running backs, will not play in Blockbuster Bowl because they missed exams.

HUMBOLDT STATE—Said they would not renew contract of Michael Dolby, football coach.

MISSOURI—Said Anthony Peeler, guard, has regained his academic eligibility.

MISSOURI WESTERN—Named Stan McGorvey football coach.

DENNIS THE MENACE



"IT'S FOR MY MOM. IT'S ALL SHE CAN AFFORD."

PEANUTS



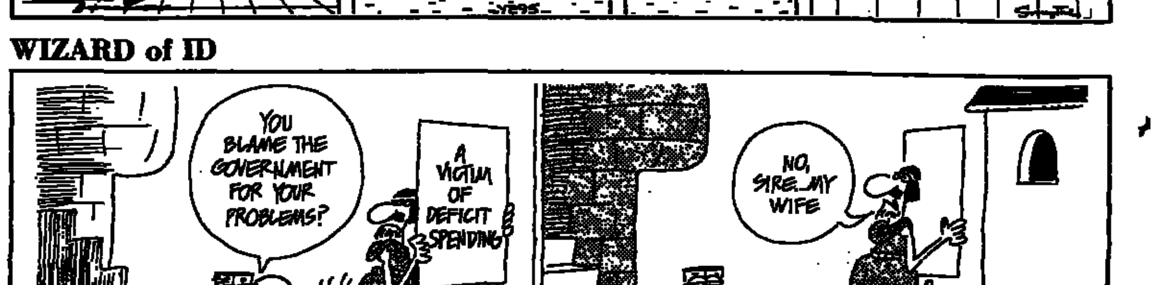
ANDY CAPP



BLONDIE



WIZARD of ID



JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KADEB

TAFOO

RUMIAD

NIMERV



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: " "

(Answers tomorrow)

Saturday's Jumbles: PUTTY GROIN DEVICE MASCOT
Answer: The opportunist has no use for friends — — HE CAN'T "USE"

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MONDAY SPORTS

End to Collusion, But No Handshake

$280 Million Baseball Deal, by Fax

By Murray Chass
New York Times Service

NEW YORK — Doing it the modern way, the chief labor representatives of baseball's players and club owners signed the $280 million collusion agreement by fax.

Eschewing a formal signing ceremony and public announcement, Donald Fehr, for the players, in New York, and Charles O'Connor, for the owners, in Washington, exchanged signatures Friday and marked the official end to the five-year dispute over the owners' treatment of free agents.

The agreement, which runs about 40 pages, was not released, but much of the document deals with technical matters, particularly the tax treatment of the damages the players will receive.

The owners will pay the players $280 million — $10.77 million per club — for salary lost from 1986 through 1990 because of the collusion against free agents that in effect had diminished the market value of the players.

The first payment of $120 million will be made on Jan. 2, with four additional payments of $40 million each, plus accrued interest, to be made in the ensuing 15 months.

As part of the agreement, 15 players who were free agents after the 1987 season were declared new-look free agents two weeks ago.

Larry Andersen, 37, a relief pitcher who was traded by Houston to Boston on Aug. 31, on Friday became the seventh of those players to get a new contract and the fifth one to change teams. He agreed with the San Diego Padres on a two-year contract that guarantees him $4.35 million.

Andersen, who had one year left on his previous contract for $985,000, will receive a $1 million signing bonus and a $1.5 million salary each year. The Padres have an option for a third year at $1 million, or they will give Andersen $350,000.

The seven new-look free agents plus Dennis Martinez, who accepted a new contract with Montreal just before he would have joined the group, have signed contracts worth a guaranteed $65 million over 23 years, an average of $2.83 million per year.

The $280 million in collusion damages will be divided among hundreds of players. No precise, or even approximate, number has been determined.

Under terms of the agreement, the Players Association will develop a plan for the allocation and distribution of the money to pay players' individual claims.

The plan must be approved by Thomas Roberts and George Nicolau, the arbitrators who presided over the three collusion cases involving 1985, 1986 and 1987 free agents.

Arbitrators will make the final determination of the allocation. Union lawyers estimated that the money would be paid out within two years.

In another development on Friday, 13 players were not tendered contracts by the Dec. 20 deadline, thus becoming free agents.



Eric Miller/Reuters

The Raiders' Marcus Allen (32) catching one of quarterback Jay Schroeder's four touchdown passes.

Reich, Kelly's Backup, Leads Bills Past Dolphins

The Associated Press

Frank Reich was a good enough imitation of Jim Kelly to help the Buffalo Bills take a big step toward the Super Bowl on Sunday. With a little help from Thurman Thomas and his defense.

Reich completed 15 of 21 passes for 234 yards and two touchdowns, and Thomas ran for 154 yards on 30 carries and 13-yard touchdown as the Bills beat the Miami Dolphins, 24-14, in Orchard Park, New York. Buffalo wrapped up the American Football Conference East and the home-field advantage throughout the National Football League playoffs.

With Kelly out with a sprained knee until at least the first playoff game, Reich did an almost perfect imitation (he fumbled once) as Buffalo improved to 13-2 and left Miami at 11-4, with the wild-card spot it clinched two weeks ago.

Effectively using the no-huddle offense that Kelly ran so well, Reich threw touchdown passes of seven yards to James Lofton and 11 to Andre Reed in near freezing weather and drizzling rain.

Buffalo's defense, meanwhile, shut down Miami's running game and controlled Dan Marino, sacking him three times and forcing two turnovers. Marino completed 24 of 43 passes for 286 yards.

Eagles 17, Cowboys 3: In Philadelphia, the Eagles knocked Dallas's Troy Aikman out of the game in the first quarter, and halfback Keith Byars threw his fourth touchdown pass of the year.

If the Eagles (9-6) defeat Phoenix next week, they will gain the home-field advantage for a National Football Conference wild-card game. Despite their first loss in five games, the Cowboys (7-8) can claim the NFC's final playoff spot with a victory next week against Atlanta.

With 10:07 left in the first period, Aikman was decked by defensive end Clyde Simmons and left the game with a dislocated right shoulder. He was replaced by Babe Laufenberg, who had one completion all year.

Steelers 35, Browns 0: In Pittsburgh, the Steelers' AFC-leading defense forced fumbles on Cleveland's first three plays from scrimmage to take a 21-0 lead with less than nine minutes gone. Bubby Brister threw four touchdown passes.

In a complete reversal of Cleveland's 51-0 victory in Three Rivers Stadium last year, when the Steelers had eight turnovers, Pittsburgh forced nine Browns' turnovers and scored on its four possessions to take a 35-0 halftime lead.

The Browns lost seven fumbles and threw an interception in losing for the ninth time in their last 10 games.

Brister, who had not thrown a touchdown pass in five previous appearances against Cleveland, threw four in fewer than 16 minutes.

Bengals 40, Oilers 20: In Cincinnati, James Brooks rushed for a club-record 201 yards, including a 56-yard touchdown run, as the Bengals knocked Houston out of first place in the AFC Central Division.

Brooks also set up a pair of touchdowns with runs of 40 and 45 yards, carrying the Bengals to a victory that kept them in the playoff chase.

Houston and Cincinnati are tied for second at 8-7, a game behind Pittsburgh.

Brooks's 201 yards on 20 carries broke his own club record of 163 yards on 18 carries set against New England in 1986.

Warren Moon, coming off a 527-yard passing performance against Kansas City, was held to 288 yards, completing 25 of 48 with one interception.

Jets 42, Patriots 7: In East Rutherford, New Jersey, the Jets, behind Freeman McNeil's two touchdown runs and Ken O'Brien's pair of scoring passes, ended their five-game slide. The Patriots lost for a club-record 13th consecutive time.

At 1-14, the Patriots have clinched the top pick in next spring's draft, and a loss next week to the New York Giants would make them the worst team in the history of the franchise. New York put together three impressive drives in each half. Then again, they did it against the league's worst defense.

New York used all three of its quarterbacks, with O'Brien finding rookies Rob Moore for a two-yard touchdown and Blair Thomas on a six-yarder. The Jets also distributed a strong rushing attack among four players, with McNeil getting touchdowns on runs of one and nine yards.

Falcons 20, Rams 13: In Atlanta, Scott Case returned an interception 36 yards for a touchdown, helping quarterback Hugh Millen win for the first time as an NFL starter.

The Falcons (4-11) snapped a seven-game losing streak — the third-longest in team history — and handed the struggling Rams (5-10) their third setback in a row.

The first touchdown of Case's career came less than two minutes into the game, when he made a diving interception off Jim Everett, got to his feet and raced for the end zone. Less than two minutes later, Millen connected with a diving George Thomas on a 53-yard pass to the Los Angeles seven-year line, setting up a 21-yard field goal by Greg Davis that had the Falcons ahead 10-0 with 9:30 still remaining in the opening period.

Bears 27, Buccaneers 14: In Chicago, Mike Tomczak, making his first start of the season, passed for two touchdowns and ran for a third as Chicago ended the Buccaneers' playoff hopes.

Tomczak, filling in for the injured Jim Harbaugh, ran one yard for a touchdown and threw touchdown passes of 18 yards to Wendell Davis and 12 yards to James Thornton. Tomczak completed 16 of 33 passes for 239 yards, with two interceptions, before Peter Tom Willis took over in the fourth quarter.

Kevin Butler, who missed a 42-yard kick just before halftime, booted second-half field goals of 46 and 43 yards for the playoff-bound Bears (11-4).

NFL ROUNDUP

Packers and Vikings Frozen Out of the Playoffs

Compiled by Our Staff From Dispatches

The Green Bay Packers and Minnesota Vikings were left out in the cold in the National Football League's postseason picture when they suffered home losses on the second-to-last weekend of the season.

The Detroit Lions cashed in on fourth-quarter turnovers to down the Packers, 24-17, and the Los Angeles Raiders used four touchdown passes from Jay Schroeder to dump the Vikings, 28-24.

The Packers and Vikings both fell to 6-9.

In another game Saturday, the Indianapolis Colts kept their slim playoff hopes alive with a 35-28 comeback victory over the Washington Redskins.

In the coldest game at Lambeau Field in Green Bay, Wisconsin, since the 1967 "Ice Bowl" for the NFL championship, Detroit sent the Packers to a fourth straight loss.

Ray Crockett's 22-yard return of a fumble recovery — after Green Bay's Ed West caught a pass and then lost the ball while on his back — tied it at 17 with 10:42 left.

Green Bay's Michael Haddix then fumbled at the Detroit 26 with 7:32 remaining and Detroit's Chris Spielman recovered. Barry Sanders ran 50 yards to the Packers 13. Three plays later he got loose around the right side, running six yards for the go-ahead score.

Green Bay, behind the third-string quarterback, Blair Kiel, who was making his second NFL start in six seasons, then moved the Packers to the Lions' 14. But Crockett intercepted with 1:51 to go to end the threat.

Sanders carried 19 times for 133 yards to pass San Diego's Marion Butts as the league's leading rusher.

Game-time temperature was 2 degrees Fahrenheit (minus 16 degrees centigrade), with winds of 23 miles (37 kilometers) per hour. That resulted in a wind chill of minus 28 degrees Fahrenheit (minus 33 centigrade).

Raiders 28, Vikings 24: In Minneapolis, the Raiders moved within one game of their first American Football Conference West title since 1985 with their fourth straight victory.

Schroeder, who completed 10 of 15 passes, has more touchdown passes in his last three games (10) than he had in his first 12 (eight). Before throwing three in each of his previous two games, he had gone 20 straight quarters without a touchdown pass.

The Vikings, who have lost three in a row, will miss the playoffs for the first time since 1986. The Vikings were 8-0 at home last season when they won the NFC Central, but have are 4-3 in the Metrodome this year.

The Minnesota quarterback Wade Wilson separated his shoulder midway through the third quarter after being sacked by Scott Davis and had to leave the game. Wilson, who completed 11 of 19 passes for 162 yards, was making his first start since a thumb injury on Sept. 23 put him on the disabled list.

Schroeder's 61-yard pass to Willie Gault in the fourth quarter set up a three-yard touchdown toss to Ethan Horton, giving the Raiders a 28-10 lead.

Wilson's replacement, Rich Gannon, threw a four-yard touchdown pass to Hassan Jones with 5:49 left in the game and added a three-yard scoring toss to Steve Jordan with 15 seconds left to make it 28-24. The Vikings tried an onside kick after Jordan's touchdown, but the Raiders recovered the ball.

Colts 35, Redskins 28: In Indianapolis, rookie defensive back Alan Grant returned an intercepted pass 25 yards for a touchdown with 50 seconds left, lifting the Colts over the penalty-plagued Redskins.

The Redskins (9-6) had already clinched their first NFC playoff berth in three years. The Colts (7-8) remained alive for a possible AFC wild-card berth.

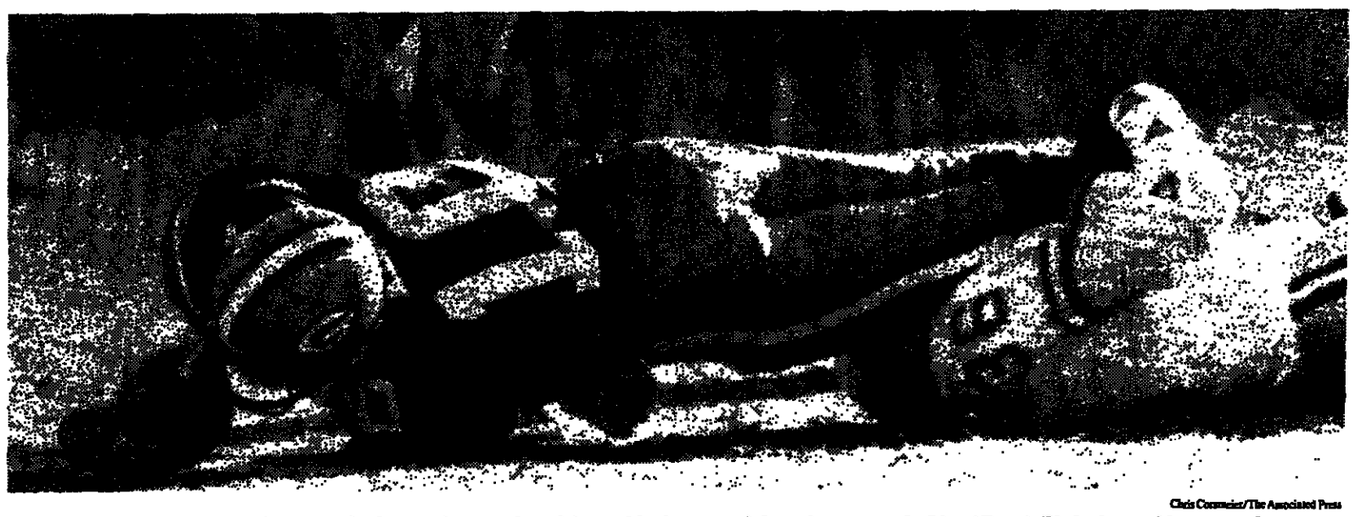
The Redskins appeared to have the game under control after two touchdown passes by Mark Rypien and four field goals by Chip Lohmiller, including a career-best 56-yarder. Lohmiller's fourth field goal, a 27-yarder with 4:15 to go, put the Redskins ahead, 28-21.

The Colts had to punt on the next possession, but got the ball back with two minutes to go after Clarence Verdin returned a short Washington punt to the Redskins' 37.

Washington was called for encroachment, one of 14 penalties on the Redskins, putting Indianapolis at the 32. After an incomplete pass, rookie Jeff George completed three straight, including a 12-yarder to Bill Brooks for the tying touchdown with 1:21 to go.

Rypien, who completed 18 of 37 passes for 249 yards, started the next drive at the Redskins' 21. Twenty-five seconds later, Grant picked off the pass and ran untouched into the end zone.

George hit 18 of 33 passes for 252 yards, including two earlier touchdowns to Stanley Morgan. *(UPI, AP)*



Chris Commeier/The Associated Press

Blair Kiel, the Packers' third-string quarterback, got a three-yard touchdown with a long stretch from the grasp of the Lions' Bennie Blades but could not carry the game.

Goethals to Replace Beckenbauer as Coach

Compiled by Our Staff From Dispatches

MARSEILLE — Raymond Goethals, a former Belgian national soccer coach, was named Sunday as the coach of Olympique Marseille to replace Franz Beckenbauer in that job.

Beckenbauer, who coached West Germany to the World Cup championship this year and who joined Marseille in September, said he would stay with Marseille until the end of the current season as technical director and possibly for a further year.

He had been quoted Sunday by the German newspaper Welt am Sonntag as saying that he would hand over coaching to Goethals after Marseille's match Sunday against Caen and that he would shorten his stay at Marseille by exactly a year.

"At my request the contract will run out on June 30, 1991," he was quoted as saying.

But Beckenbauer said Sunday on French television that he had agreed with Bernard Tapie, the club's owner, that he would stay with Marseille until the end of the current season as technical director and possibly for a further year.

On Thursday, Tapie announced that Beckenbauer's problems with the first-division club had been resolved. He said that Beckenbauer would become technical director and that a top coach would be hired as his assistant.

Beckenbauer has been strongly criticized for his team selection and a series of poor results.

Goethals, who has known success with Anderlecht but was dismissed by another French club, Bordeaux, after a poor start to the season, was widely expected to join Marseille.

The appointment of Goethals completes a curious French managerial merry-go-round. When Goethals was fired by Bordeaux, he was replaced by Gérard Gili. Gili had been fired by Marseille when the club appointed Beckenbauer. *(AFP, Reuters)*

■ Match Called in Toulon

A French first-division soccer match between Toulon and Paris-St. Germain was abandoned after an object struck a linesman, Reuters reported from Paris.

The incident happened just before halftime of the match in Toulon with the score at 0-0 when an object thrown from the crowd appeared to strike the linesman in the face. He was knocked to the ground and carried off bleeding.

SIDELINES

Germans to Step Up Drug Testing

FRANKFURT (Combined Dispatches) — Top German track and field athletes will be required to take drug tests every two weeks beginning in January, German Track and Field Federation officials announced here Sunday.

The announcement, following a meeting of track and field officials on Saturday, comes after recent allegations that many German athletes, particularly from what was formerly East Germany, routinely used performance-enhancing drugs. Several former East German swimmers have acknowledged that they took drugs.

According to the German federation, testing for use of performance-enhancing drugs is to be carried out on all top-level track and field athletes every 14 days starting in January. The plan calls for expanding the current random testing to lower levels, such as state championships, the federation said. *(Reuters, AP)*

Matthäus Named Top Soccer Player

PARIS (AP) — Lothar Matthäus, the captain of the West German team that won the World Cup this summer, was named European soccer player of the year on Sunday.

Matthäus, 29, a midfielder for the Italian club Inter Milan, was the winner in a poll of soccer and sport journalists throughout Europe conducted by the magazine France Football. He broke a three-year Dutch hold on the Golden Ball award, which is given to the winner. Ruud Gullit won it in 1987 and Marco Van Basten won in 1988 and 1989.

Salvatore Schillaci of Italy, who delighted his countrymen with his play in the World Cup, was second in the poll, with another German, Andreas Brehme, third. Brehme scored the only goal on a penalty kick in West Germany's victory over Argentina in the World Cup final.

More Talk of a Comeback From Borg

STOCKHOLM (AP) — Bjorn Borg said in a Swedish newspaper interview Sunday that he was ready for a tennis comeback after eight years of retirement but had not yet decided when or where he might return.

"I'm mentally ready and I don't have any physical problems," Borg, 34, was quoted as saying in Expressen. "I have an urge to play and show people the fantastic things I can do on the court. I have discovered that I can still contribute a lot to the game. And I do miss the battle out there."

Borg, who won five straight Wimbledon titles, from 1976 to 1980, and six French Open crowns during a career that ended at age 26, applied this month for a wild-card spot in the Italian Open in May. His Italian agent, Cino Marchese, said Borg may apply for the Monte Carlo Open in April and the French Open. Philippe Chatrier, the head of the French Grand Slam event, said last week that Borg would be welcomed "because you can't turn down an application from someone who has won the French Open six times."

For the Record

Pete Sampras, winner of the Grand Slam Cup and the U.S. Open, has withdrawn from the Hopman Cup team tennis event in Australia because of foot blisters, tournament officials said Sunday. Sampras and Zina Garrison, the U.S team, were seeded first. Organizers of the event, which starts Thursday, said they were seeking a replacement for Sampras. *(AP)*

Tomba and Kronberger, the Favorites, Falter in Cup Slaloms

Furuseth Wins Men's Race After Italian's Error

Compiled by Our Staff From Dispatches

KRANJSKA GORA, Yugoslavia — Ole-Kristian Furuseth of Norway profited from the first leg disqualification of Alberto Tomba of Italy to win his second World Cup slalom in five days.

Furuseth, winner in Madonna di Campiglio on Tuesday, outpaced the first-leg leader, Tomas Fogdoe of Sweden, in the second leg on Saturday and won the season's fourth slalom in one minute, 46.80 seconds.

Fogdoe, also second in Madonna, trailed the winner by 0.15 of a second, while Thomas Stangassinger of Austria finished third, a further 0.96 behind.

Tomba, however, kept his overall World Cup lead with 97 points. Furuseth has 88.

Furuseth, last season's runner-up in the overall World Cup, was far from convincing in the first leg, making minor mistakes and trailing Fogdoe by more than half a second.

But in the second leg he found perfect rhythm on the difficult, icy slope and his superb physical preparation gave him an advantage, notably on the course's steeper part.

Fogdoe, 20, who is in his first full World Cup season, skied after Furuseth but went too wide around two poles and lost valuable time.

"The win in Madonna boosted my slalom confidence enormously and I think that gave me the edge today," Furuseth said.

But he praised Fogdoe: "He is definitely the man we will all struggle to beat in the future. His technique is superb. He lacks only the experience, but he will soon get it."

Fogdoe said that since childhood he had dreamed of winning a World Cup race.



Peter Kujundzic/Reuters

Ole-Kristian Furuseth winning his second slalom race in five days.

"It was more wishful thinking than reality," he said. "Now I really know I can do it. One day I'll win overall, I am sure."

Tomba, who confidently won Friday's giant slalom in which Furuseth crashed out, was never in the picture. Starting 12th, he went wide at the third gate of the first leg but his superb power pulled him clear.

He managed the third best intermediate time but straddled a pole soon after that and, despite clocking the fifth best time, was later disqualified.

Tomba said he was more surprised than disappointed by his mistake.

"It's only the third time in my World Cup career that I straddled a pole," he said. "Things like that happen, especially when you try to make very short cuts around poles. This time for me it simply did not work."

Marc Girardelli of Luxembourg, the overall World Cup winner in 1985, 1986 and 1989, finished fourth Saturday. He is now third in the overall standings with 78 points.

Furuseth's fifth World Cup victory considerably extended his slalom standings lead. He has 73 points, 23 more than Fogdoe and 27 more than Girardelli.

The next men's World Cup race, a downhill, is scheduled for Garmisch Partenkirchen, Germany, on Jan. 5. *(Reuters, AP)*

Fernández-Ochoa Triumphs After Austrian Is Hurt

Compiled by Our Staff From Dispatches

MORZINE, France — Blanca Fernández-Ochoa of Spain returned from injury to win the World Cup women's slalom here after the Austrian star Petra Kronberger fell in the first run.

Fernández-Ochoa had a combined time of 1 minute, 27.66 seconds after leading the first run on Saturday in 44.08.

Second overall was Pernilla Wiberg of Sweden at 1:28.61. Vreni Schneider of Switzerland was third at 1:28.72.

Kronberger suffered torn ligaments in her right hand when she fell and will be wearing a cast for the next 10 days, her doctor said Sunday in Vienna.

Dr. Wulf Glötzer said she would be ready for the first race after the Christmas break on Jan. 6.

It was Fernández-Ochoa's third victory on the World Cup circuit but first since she won a slalom in Sestriere, Italy, in 1987.

She had missed almost 20 months because of a shoulder injury before placing in the top 10 in the first slalom and giant slalom of this season in Val Zoldana, Italy.

"I was anxious when the season started," she said. "It is strange to be in front of a gate again after a 20-month break. The break was a good thing. I recommend it to any skier. It allowed me to turn to other things and to feel much less pressure. I didn't feel any today."

Kronberger, who had won four of the season's first six races, including the first slalom, fell at the start of the first run and missed a gate.

She got up and went back through it, but finished 53d in 50.58 seconds. That put her out of the running for the individual title and the combined event, which adds in the results of Friday's downhill, which she won.

"It's not too serious," she said of her setback. "My string of victories had to end soon."

But Kronberger still has a commanding lead in the overall standings. She remained at 140 points, followed by Chantal Bournissen of Switzerland with 57 points. *(AP, Reuters)*

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The Offer That Coppola Couldn't Refuse

By Larry Rohter
New York Times Service

RUTHERFORD, California — It is a crisp and windy afternoon in late November, exactly a month before the long-awaited opening of "The Godfather Part III" in 1,800 theaters across the United States, and the director Francis Ford Coppola is rushing to complete the movie he hopes will restore his reputation, his autonomy and his finances.

As he strolls into the garage cum commissary of the Napa Valley estate and vineyard where he lives and works, a team of film editors who have been mixing the sound are already eating lunch and loudly discussing the work that lies ahead of them.

"What reel is being worked on?" Coppola calls out as he serves himself a heaping platter of food. From the table comes an answer. "What?" he replies with feigned surprise. "You're going backwards?"

This time, the response is laughter. "That's right," one of the editors says. "And when we're finished, next will be 'Godfather I.'" In mock horror and resignation, Coppola throws up his arms, shakes his head and walks away.

No matter how he tries, the director, 51, seems unable to escape "The Godfather" saga, which is at once his greatest pride and source of insecurity.

More than 15 years after the first two chapters of "The Godfather" became the only motion picture and sequel to win Academy Awards as best picture, "The Godfather" movies are still regarded as two of the finest films in the history of American movies and the undisputed pinnacle of Coppola's turbulent career, overshadowing everything he did before or since.

It remains to be seen whether "Godfather III," which opens Tuesday with Al Pacino and Diane Keaton returning to their roles as Michael and Kay Corleone and Andy Garcia playing the new heir apparent to the family's Mafia holdings, will prove a worthy companion or make as much of a mark on the American consciousness.

But Coppola, whose own career has been characterized by gambles both successful and disastrous, once again is risking everything dear to him and forcing those around him to do much the same.

"Francis is about drama, high drama," Frank Mancuso, chairman of Paramount Pictures, which has footed the bill for all three "Godfather" movies, said recently.

"Why did I make 'Godfather III'?" Coppola asked, sitting in the converted carriage house that is his office, surrounded by mementos of the films he has made. "For the same reasons I made the second one: it didn't go away, and they basically promised me carte blanche. 'The Godfather' became my claim to fame and my claim to be able to continue making movies, which is more important."

After several of his films performed disastrously at the box office and with critics in the early and mid-'80s, Coppola said, "I began to realize I didn't know who my audience was. When I made a film, a ton of people didn't just turn out to see it. I began to become aware that I was getting older and that perhaps I didn't have a big audience anymore."

The bottom line, he added, "is that 'The Godfather' always represented to me a chance to have a big audience."

But as Coppola readily acknowledges, he also was attracted by the money being dangled in front of him, some $5 million to direct, write and produce the film plus 15 percent of the gross.

His finances have been in a shambles for nearly a decade, ever since the 1982 musical "One From the Heart" flopped at the box office and brought his ambitious Zoetrope Studios crashing down with it.

Rather than declare personal bankruptcy, Coppola spent most of the 1980s trying to repay his creditors and keep ahead of debts that eventually ballooned to well over $30 million. Without that financial noose around Coppola's neck, "he probably wouldn't have wanted to do it," Mancuso said.

Early this year, as "The Godfather Part III" was being filmed in Sicily, he finally filed for bankruptcy, a step his studio operation had taken years earlier.

At the moment, Coppola said, he probably owes creditors "$6 or $7 million" and should emerge free and clear only if "The Godfather Part III," which also features Talia Shire, Eli Wallach, Joe Mantegna and George Hamilton and, in a bit of casting that has already been widely discussed and much criticized, Coppola's daughter, Sofia, is a hit at the box office.



Francis Ford Coppola: Will "Godfather III" be a worthy companion for the first two?

"In another month, many of my problems will be over," said Coppola. "Or they will be doubled."

Beyond that, however, "Godfather III," whose story revolves around Michael Corleone's belated efforts to atone for all the wrongs he has committed, is also Coppola's own chance for professional redemption.

"I want my career to be in a place that gives me a lot of pleasure and satisfaction," he said. "I'm very embarrassed about my career over the last 10 years. You know, an Italian family puts a lot of stock on not losing face, not making what we call *una brutta figura*, or bad showing.

"When you have people writing about you in a mocking way and making fun of your ideas and calling you a crackpot, that's a real brutta figura. I want to be considered a vital American filmmaker and have the country be proud of me, but I am aware that my career has been very troubled and controversial."

Fortunately for Coppola, Paramount Pictures has always seen the "Godfather" movies as a valuable franchise and been eager for him to attempt a third installment.

But once Coppola decided to return to the Godfather saga, he and Mario Puzo, who wrote the novel "The Godfather" and collaborated with Coppola on the screenplays of the first two movies, faced the problem of finding the right story.

"The Godfather Part II," which won six Academy Awards in 1974, including those for best picture, director and screenplay, ends with Michael Corleone sitting on the shores of Lake Tahoe, an empty and morally bankrupt shell of a man, apparently beyond reviving.

"I had deliberately left him for dead," Coppola said. "I never thought to visit him again."

LANGUAGE

The Scourge of the Ankle-Biters

By William Safire

WASHINGTON — Asked by Defense News if he had a message for American forces stationed in his country, Saudi Arabia's ambassador to the United States, Prince Bandar ibn Sultan, replied in part: "Don't let the *ankle-biters* get to you. You are not there to defend material things. . . . You are defending your national interest and also you are defending great principles."

Who are these *ankle-biters*? A few weeks after Prince Bandar's interview appeared, the word popped up in a controversy between Wayne Berman, a lawyer at the Department of Commerce, and F. Michael Maloof, director of technical security for the Department of Defense. The Commerce official was embarrassed by charges that his bureaucracy had approved shipments to Iraq that might have helped its production of weapons of mass destruction; he lashed back at the men who had opposed such shipments, criticizing Maloof as a "low-level clerk" who was part of a group of "*ankle-biters*."

In the recent revision and abridgment of Partridge's Dictionary of Slang and Unconventional English, Paul Beale defines the term simply as "young children," noting the usage to be "widespread Canadian and U. S.: since circa 1960."

That is one sense of the term, noted also in the Collins Concise Dictionary as an Australian term for "young child."

But that is surely not what the annoyed Commerce techno-pusher had in mind. An extended meaning has developed, first noted in the military; Lieutenant General Andrew J. Goodpaster, as West Point superintendent, was described by James Feron in The New York Times in 1981 as "able to make the changes because he had enough prestige to 'keep the *ankle-biters* away,' according to an aide on the administrative staff."

Politics, ever sensitive to derisive neologisms, was not far behind: when Representative John D. Dingell of Michigan criticized Lockheed Corp. as having slipped past accountability checks, National Journal quoted an unidentified industry executive berating Dingell as an *ankle biter* (two words).

The recent Washington Post account of the Commerce-Defense contretemps drew mail centered on the new usage: "I'd like to bite Mr. Berman's ankle, too," wrote Irmie Bellman of Springfield, Virginia. Stefan A. Halper of Great Falls, Virginia, added, "The nation owes a great debt to this *ankle-biter* for gnawing away at the 'clay ankles' of those at Commerce."

This means that we have a replacement at last for the *weenie*. That locution of the '80s, related to the reduplication of *tiny* as *teeny-weeny* and influenced by *Wiener wurst*, small sausage first produced in Vienna, was also first applied to a child; later it came to mean "small-minded" as an adjective and "petty bureaucrat" as a noun.

Late in the Reagan administration, the *weenie* was given competition only in the plural, as *mice* — meaning "the quick-footed, small-minded, negative aides to people in power who justified their staff salaries by nibbling at bold approaches and big ideas submitted by outsiders until the proposals were reduced to a size that would not discomfort the entrenched."

In her Reagan memoir, the speechwriter Peggy Noonan deplored the "White House mice" who chewed up her prose. This locution, too, has a parallel meaning of "children" among producers of television programs.

In the Nixon, Ford and Carter years, the derogation of these careful public servants who did not want their principals embarrassed by principles was *munchkins*. These were the little people in L. Frank Baum's 1900 book, "The Wonderful Wizard of Oz"; even today, *munchkins* is sometimes used to mock pretentious staff members; perhaps a connection exists between the chewing, munching connotation of that word with the nibbling of the mice and the biting of the ankles.

In the early '70s, when I was engaged in a series of tirades at a senatorial cover-up of investigations into Kennedy administration excesses, a good writer — maybe it was Murray Kempton — came to a senator's defense by pitying him for having "the tiny teeth of Safire sunk in the bottom of his pants leg."

Apparently I never got through to the ankle, but this vivid image illustrates the dual nature of the derogation: it is a bite or chew or nibble — not enough to hurt but enough to annoy or eventually to debilitate — and it is the work of someone of small stature who cannot rise above the target's ankle. It is akin to, though not synonymous with, the much older phrase *nipping at the heels of*, about a dog following aggressively, now used to mean "catching up to" or in the sense of "giving alarmed impetus to."

Small children are also referred to as *rug rats*, *crumb catchers* and *curtain climbers*, though these have not yet been applied to small-minded, idea-watering, prestige-diminishing *ankle-biters* (one word, hyphenated).

□

President George Bush, a former Navy pilot, and Secretary of State James A. Baker 3d, a former marine, often use the phrase *in harm's way* to describe the position of members of American armed services in and around Saudi Arabia. That's not surprising: it's a naval term.

The phrase is rooted in its opposite: *out of harm's way*, coined by the English divine Thomas Fuller before 1661: "Some great persons . . . have been made sheriffs, to keep them out of harm's way." The sheriff's job was a political plum, not then dangerous.

In November 1778, the American naval captain John Paul Jones wrote to Le Ray de Chaumont, the French official in charge of assigning ships: "I wish to have no Connection with any Ship that does not sail fast, for I intend to go in harm's way." He was assigned a not-so-fast merchantman that he rebuilt and named the Bon Homme Richard, honoring Benjamin Franklin ("Poor Richard's Almanack"). Jones sailed in the way of the British frigate Serapis, and lashed his smaller warship to the larger in naval warfare's most memorable hand-to-hand battle; after the British ship surrendered, the battered Bon Homme Richard sank.

James Bassett, a press aide to Fleet Admiral William F. Halsey and later to Richard Nixon, chose "Harm's Way" as the title of his 1962 novel about naval action in the Pacific during World War II; John Wayne starred in the 1965 movie, "In Harm's Way," in which the make-my-day line was "Sir, I have not yet begun to fight."

The hoary phrase has more power than the bureaucratic "in the face of impending hostilities."

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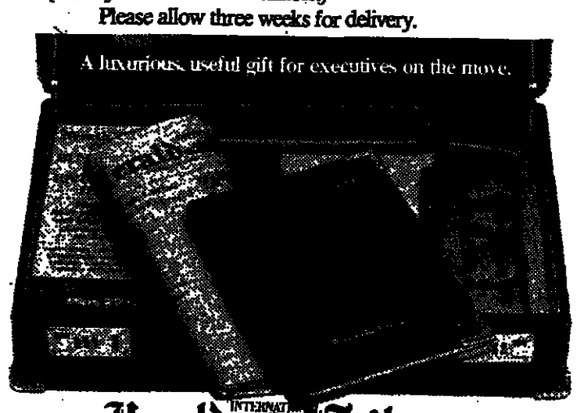
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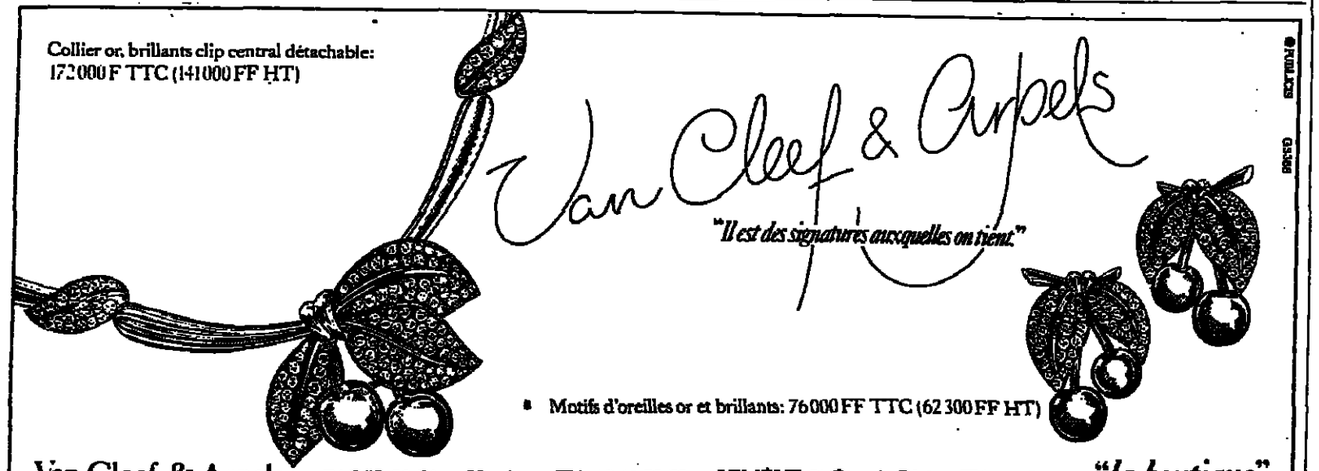
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